

SECTION: Treasury
SUBJECT: Cash Handling Process – Cash and Checks Documented Procedures
APPLIES TO: Receiving, depositing, and reconciling cash and checks

Cash Handling (Cash and Checks) Overview

The objective of the Cash Handling process is to ensure that all funds are received, deposited, and reconciled in a timely, accurate, and well controlled manner.

Cash Handling Process

Activity	Responsibility	Reference/Comments
RECEIVING CASH & CHECKS		
The following positions are authorized to <i>receive</i> cash/ checks for the departments supported by Fleming Business Services as determined by Chief Administrators.	Receivers (see <i>Appendix A</i>)	Positions responsible for receiving funds should not be responsible for depositing funds, and should not have any responsibilities related to billing.
All authorized cash handlers should receive proper cash handling training and certification prior to receiving cash/checks.		The MyLINC course number for the Cash Handling Course is TME103. (This course only needs to be completed once.)
Departments supported by Fleming Business Services may receive funds for a variety of purposes, including but not limited to: <ul style="list-style-type: none"> • Goods/services provided (i.e. product sales, FOIA requests, film) • Donor gifts • Legal activities 		
Count all funds received for each transaction.	Receiver	For all checks that do not belong to your department, deposit immediately to the University’s unallocated account. NOTE: For assistance, contact SSC at 5-2000 or e-mail unallocatedssc@umich.edu . Checks <i>may not</i> be mailed using campus mail. If a check must be mailed, send via courier pickup at CFO’s office and send an email to FBS indicating this has been done. Checks must be deposited by the receiving unit in accordance with SPG 519.03 guidelines.

Obtain approval by a higher level of authority for all refunds.	Receiver	Write-offs and adjustments must also be approved by a higher level of authority.
Review and approve refunds, write-offs, and/or adjustments.	Department's Chief Administrative Officer and/or Manager	
For transactions where amount is known, ensure the amount received or refunded equals the anticipated amount by comparing funds received to the invoice, conference fee, P-Card statement, etc.	Receiver	When using a cash register or cash drawer, ensure only one person has access to it during a shift/business cycle. To ensure single accountability, reconcile/balance the register/drawer between shifts and have an independent person confirm by initialing and dating.
Review funds received to ensure they are U.S. funds only, not foreign currency or checks drawn on foreign banks.	Receiver	Refer to Preparing & Making Deposits Quick Reference – page 4 for tips on identifying foreign currency.
Review checks to ensure they are payable to the University and not to individual faculty or staff members.	Receiver	If check is not correctly written, contact the check issuer. Make arrangements to return check and ask them to issue a new check payable to Regents of the University of Michigan. In some cases, if check is made out to an individual (professor, doctor, etc.), the individual may endorse the check and write “payable to Regents of the University of Michigan.” For questions, contact treasury@umich.edu .
Restrictively endorse all checks using the U of M Treasury-issued rubber endorsement stamp. NOTE: This step is not applicable to departments utilizing Remote Deposit Capture, where checks are spray-endorsed as scanned.	Receiver	Instructions and forms for ordering Treasury-issued deposit supplies are available on the Treasurer's Office website.

<p>If necessary, issue a pre-numbered receipt for funds received and retain a copy of the receipt for balancing purposes.</p>	<p>Receiver</p>	<p>Receipts are encouraged for all transactions.</p> <p>All receipts should be traceable to the individual who issued the receipt.</p> <p>In the case of Development Funds, the Development Office will issue a receipt but a log of funds received should still be maintained by the unit.</p>
<p>Record funds received into a daily log detailing each transaction since a pre-numbered receipt is not given. Use FBS Google shared Check Log. See Check Log procedures for further guidance.</p>	<p>Receiver (FBS for VP Comm, VP Gol Rel, President's Office, General Counsel, VP & Secretary Office)</p>	<p>Entry should include: date, amount, payer, purpose, type of payment, etc.</p>
<p>Secure cash and checks by placing them in a locked cabinet, drawer, etc. which is continually visible to authorized department employees.</p> <p>Keys are kept in a secure, secret place. Only the following individuals have access to the keys:</p> <ul style="list-style-type: none"> • Receivers. 	<p>Receiver</p>	<p>Only department supervisors and authorized personnel have access to the secure place (i.e. safe or cash box).</p> <p>Funds received should not be used to make purchases, cash personal checks, issue "IOU's", or retained for making change.</p>
<p>DEPOSITING CASH & CHECKS</p>		
<p>The following positions are authorized to <i>deposit</i> cash and checks for departments supported by Fleming Business Services as determined by Chief Administrative Officer.</p>	<p>Depositor (See <i>Appendix A</i>)</p>	<p>Positions responsible for depositing funds should not be responsible for receiving funds or performing reconciliation.</p>
<p>Update list of authorized users, Primary and Secondary Contacts in MPathways for all depository locations. This should include any staff changes such as a new staff member who will be</p>	<p>VP Communications Business Manager(s) for MRadio/MCreative</p> <p>Department Chief Administrative Office and/or Manager</p>	<p>For step-by-step instructions see https://maisline.umich.edu/mais/html/GL_CR_Deposit_Merchant.html.</p>

depositing /allocating funds or a staff member who is no longer depositing/allocating funds.		
All authorized depositors should receive proper depository training and certification prior to depositing cash/checks.	Depositor	Information on web-based depository training class is available on the Treasurer's Office website, or contact TreasuryTraining@umich.edu . The MyLINC course number for the Depository Training is TME101. (This course must be completed every two years.)
Obtain funds and pre-numbered receipts (if applicable) and review/compare to the Google Check Log.	Depositor	
Verify that funds received balance to the pre-numbered receipts issued and/or the daily transaction log, as well as goods/services provided, A/R updates, P-Card statement, cash register Z-tapes, etc. where possible.	Depositor	Balancing of funds received should not be performed by the individual(s) receiving funds unless supervised by a higher level authority. When discrepancies are noted/identified, each transaction should be checked by date, payer/payee, payment/refund amount, and receipt number.
Verify that all pre-numbered receipts are accounted for (if applicable).	Depositor (applies only to Photo Services)	
Prepare the cash/checks for deposit. FBS clients refer to the Check Log procedure for further guidance.	Depositor	Refer to Preparing & Making Deposits Quick Reference – page 1 , or Section 2 in the Depository Training Guide for instructions on preparing cash and coin, checks, and bulk coin for deposit. For Development Funds, follow the Development depository process. Any cash gifts should be deposited, checks are to be forwarded to the Development Office through a Development Office gift drop box.
Complete the currency/coin and/or checks portion of the deposit ticket(s) with the appropriate amounts. All funds received should be deposited.	Depositor	Refer to Preparing & Making Deposits Quick Reference – page 5 , or Section 2 in the Depository Training Guide for instructions on preparing the deposit ticket for cash and coin, checks, and bulk coin.

<p>Place the total funds (consistent with the deposit ticket amount) into the deposit bag and insert the deposit ticket into the clear outer pouch on the back of the bag.</p> <p>For checks, be sure to include a calculator tape listing the amount of each check and a total.</p> <p>Step not applicable to departments utilizing Remote Deposit Capture, where checks are “scanned” through a machine. Refer to Check Log procedure for further guidance.</p>	<p>Depositor</p>	<p>MPM does not place funds in bag; they make deposits directly at bank branch.</p>
<p>Create a Cash Receipt Ticket (CRT) if necessary (i.e. need for additional Chartfields other than the default) to ensure all funds are being allocated to the proper accounts.</p>	<p>Depositor</p>	<p>Access online CRT application through Wolverine Access → University Business → Treasury Management → Cash Receipt Ticket</p> <p>Refer to Section 3 of the Depository Training Guide for detailed instructions on how to create a CRT.</p> <p>For further assistance, see the Create an Online Cash Receipt Ticket simulation.</p>
<p>Ensure that the Default Chartfields for each depository location are active and appropriate.</p>	<p>Business Manager (MMD, MPM, Photo Services), FBS Analysts (for all others)</p>	<p>Questions as to whether or not existing Default Chartfields are accurate, contact Accounting Services accountingcustomerservice@umich.edu.</p> <p>To change Default Chartfields, contact Treasurer’s Office treasury@umich.edu.</p>
<p>Ensure all funds are being deposited into the proper expense or revenue account.</p>	<p>Depositor</p>	<p>For assistance determining the appropriate General Ledger account, contact FBS.</p>
<p>Ensure all funds are being deposited into a Treasury authorized University account.</p>	<p>Depositor</p>	<p>All bank accounts used for depository purposes must be established in a manner consistent with SPG 519.01, and the University Treasurer must be an authorized signer on the account.</p>
<p>Maintain a record of all deposits and deposit information for reconciliation purposes. (For example, copies of CRTs are retained.)</p>	<p>Depositor</p>	<p>Record details such as who gave the deposit to whom, date, time, bag serial number (if applicable), amount, delivery method, etc.</p> <p>NOTE: Making copies of checks is strongly discouraged.</p>

<p>For FBS clients, the Check Log is the log of record.</p>		<p>If there is a valid business purpose, all numbers on the bottom of the check (micr line) must be covered (i.e. placing paper over the numbers) before copying.</p>
<p>Secure the deposit so that funds are not lost or comingled with other funds.</p>	<p>Depositor</p>	
<p>If due to timing the deposit cannot be made on the same day, store the deposit in a locked drawer or cabinet until it can be made.</p> <p>The drawer/cabinet should be continually visible to authorized department employees. Keys are kept in a secure, secret place.</p>	<p>Depositor</p>	<p>Only department supervisors and authorized personnel have access to the secure place (i.e. safe or cash box).</p>
<p>Deposit funds:</p> <ul style="list-style-type: none"> • at a University depository bank branch (MPM). • via Remote Deposit Capture. <p>NOTE: FBS clients who have cash (currency) deposits, log these in the Google Check Log and submit to FBS for deposit if you are unable to deposit into a deposit station.</p>	<p>Depositor</p>	<p>All funds collected by any unit or department of the University must be deposited into a University account on the date of collection. Where this is impractical and where the total deposit is less than \$500, the deposit may be made within one business day of collection. The Treasurer’s Office must approve any exceptions to this policy.</p> <p>While in transit to point of deposit, deposit contents and/or deposit bag should be concealed from the view by others.</p> <p>Refer to Section 5 of the Depository Training Guide for detailed instructions and additional guidance on how deposits should be made.</p> <p>For Development Funds, follow the Development depository process. Any cash gifts should be deposited, checks are to be forwarded to the Development Office through a Development Office gift drop box.</p> <p>For more information on special depository situations, see Section 2.5 in the Depository Training Guide.</p>

<p>Receive acknowledgment of deposit made:</p> <ul style="list-style-type: none"> • Receipt detailing the amount, date, and account from the bank teller when depositing at a University depository branch (MPM). • Receipt detailing the deposit bag serial number and date of deposit from the automated deposit station (all other depts.) • Deposit Detail Report from Remote Deposit Capture. 	<p>Depositor</p>	
ACCOUNTING & RECONCILIATION		
<p>Reconcile SOA (using eRec) to ensure all current period deposit activity is accurately reflected on the SOA by comparing it to CRT confirmation pages, ticket book copies, etc. Maintain proper evidence of reconciliation.</p>	<p>FBS – SOA Reconciler (on an ongoing basis)</p> <p>MPM, MMD and Photo Services – SOA Reconciler (on a monthly basis)</p>	<p>Person performing reconciliation should not be the individual making the deposits.</p> <p>For more information on reconciling deposits to the SOA, see Section 6.2 of the Depository Training Guide.</p>
<p>Verify weekly deposit activity using Business Objects report <i>FN03 JrnDetail Location Deposit Activity.rep</i>. Because FBS is reconciling on an ongoing basis, it is not necessary to run this report weekly. Verify monthly.</p>	<p>SOA Reconciler (See <i>Appendix A</i>)</p>	<p>Refer to the Run the FN03 JrnDetail Report in Business Objects Step-by-Step Procedure or Section 6.1 of the Depository Training Guide for detailed instructions on how to access this report.</p>
<p>For discrepancies, each deposit should be checked by date, amount, deposit method, and account allocation.</p> <p>Reallocate funds thru a JE if deposit is not allocated correctly and take appropriate steps to ensure future allocations are correct.</p>	<p>SOA Reconciler</p>	<p>If a discrepancy is detected and cannot be resolved, call the Bank of America customer service representative at 1-888-841-8159 option 2 4, extension 24177, for further assistance. If the source of the discrepancy cannot be determined working with Bank of America, contact Banking Services in Financial Operations at BankingServices@umich.edu.</p>
<p>Review the <i>CMB Treasurer's Office Certification Courses Report</i> in Business Objects to monitor individuals who have</p>	<p>Business Manager (MMD), Manager (Photo Services), Media Financial</p>	<p>Report can be accessed through Business Objects at: UM-Maintained → Financials → FN03 Journal Detail.</p>

taken the TME103 course.	Officer (MPM), FBS Director (for all others)	
MONITORING & OVERSIGHT		
On a periodic basis, compare planned budgets to actual and trends over time to ensure reasonableness and appropriateness.	Business Manager (MMD), Manager (Photo Services), Media Financial Officer (MPM), FBS Senior Manager (for all others)	
On a periodic basis, use the <i>FN03 JrnlDetail Deposit Management Report</i> in Business Objects to monitor items such as: <ul style="list-style-type: none"> • all deposit activity by location. • all depositors and their certification status. • discrepancy trends. 	Business Manager (MMD), Manager (Photo Services), Media Financial Officer (MPM), FBS Senior Manager (for all others)	Report can be accessed through Business Objects at: UM-Maintained → Financials → FN03 Journal Detail. Click here for additional information regarding the report.
On a periodic basis, use the standard Cash Handling reports provided in M-Reports to monitor the following: <ul style="list-style-type: none"> • all deposit locations in unit and their activity. • discrepancy trends. 	FBS Administrative Assistant Intermediate will run and review (for all departments) and share findings with EOs.	Reports can be found in M-Reports under the Internal Controls menu within the FIN.MGMT tab. The title of the reports are: <ul style="list-style-type: none"> • Deposit Locations by DeptID or DeptGrp • Deposit Discrepancy by DeptID or DeptGrp

Other related information:

Key Contacts:

- Treasury@umich.edu or (734) 763-1299

Related Standard Practice Guides:

- See [SPG 519.01](#) for banking and treasury services related policies
- See [SPG 519.03](#) for cash management and deposit related policies

Record of Revisions:

Date of Issue	Description of Change	Page(s) Affected	Approved By
6/10/2009	Original template created	All	

10/19/2009	Updates made for FY2010 Certification	1,5,7,8	
12/22/2010	Minor updates made for FY2011 Certification (links to reflect revised training guide and new website; added management reports)	2, 4-8	
8/29/11	Updated to reflect FBS supported units processes	All	
11/22/2011	Minor updates made for FY2012 (new BofA phone number, cash handling training info now in BO reports, etc.)	2,4,5,7,8	
10/3/2012	Minor updates made for FY2012 (new Remote Deposit Capture process, notifying Treasurer's Office of authorized depositors, clarification of training requirements, note on copying checks, etc.)	1-8	
10/16/2013	Updates made for FY14 including unit maintaining list of authorized depositors and note for clarification of Heath System training requirements.	4,9	
1/15/15	Updates made for FY15 including change in contact for unallocated checks; verify deposit activity consistent with receipt log	1,8	
1/18/16	Added Treasury contact information	2	
9/15/2016	Updated directions on how to handle misdirected checks, added email contact for checks issued to individuals, added statement regarding client units' referencing the Google Check Log.	1, 2, 3	
11/2016	Updated links and added clarifying language, added info regarding default chartfields.	4&6	
09/2017	Updated entries for new language regarding updating authorized users, and confirming default chartfields.	3, 5	

Document Owner: Fleming Business Services (FBS) supported departments and FBS

Administrative Owner: FBS