FINANCE
UNIVERSITY OF MICHIGAN

NOTE: Any changes to process due to remote work should be documented in procedures.

SECTION: Treasury

SUBJECT: Cash Handling Process – Cash and Checks Documented Procedures

APPLIES TO: Receiving, depositing, and reconciling cash and checks

NOTE: This document has been revised as part of the Annual Internal Controls Update

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 FUNDS		
The following positions are authorized to receive cash/checks for the departments supported by Executive Business Services as determined by the Department Authority Administrators.	Receiver - Designated Department Staff (See *Appendix A*)	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.		My LINC course number for the Cash Handling Course is TME103. ***NOTE:*** *This course only needs to be completed once.*
Review the *CMB TME103 Cash Handling Certification Management Report [FN03, HR01]* in Business Objects to monitor individuals who have taken the TME103 Cash Handling course.	Department/Unit Approver	Report can be accessed through Business Objects at: UM-Maintained > Financials > FN03 Journal Detail ***NOTE:*** *Authorized depositors do not need to take the Cash Handling course TME103 if the Depository Training course TME101 has been completed. – See Business Objects Report FN03 JrnlDetail Deposit Management Report – For Dates On or After 04-20-2015 for additional documentation of individuals who have completed TME101.*
The departments supported by Executive Business Services may receive funds for a variety of purposes including (but not limited to): • Goods/services provided		

Activity	Responsibility	Reference/Comments
• Employee reimbursements (i.e. PCard, telephone, etc.) • Conference fees • Legal activities • Donor gifts		
Count all funds received for each transaction.	Receiver - Designated Department Staff (See *Appendix A*)	For all checks received that do not belong to your department deposit immediately to the University's unallocated account. See SSC website: https://ssc.umich.edu/billing-collections/incoming-payment-processing/ ***NOTE:*** *Checks with NO AR invoice number are most common.* ***NOTE:*** *For assistance contact the SSC at 5-2000 or email unallocatedssc@umich.edu. Checks should not be mailed using campus mail and therefore deposited by the unit in receipt of the check within SPG 519.03 guidelines.*
Obtain approval by a higher level of authority for all refunds.	Receiver - Designated Department Staff (See *Appendix A*)	Write-offs and adjustments must also be approved by a higher level of authority.
Review and approve refunds, write-offs and/or adjustments.	Department/Unit Approver	
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, etc.	Receiver - Designated Department Staff (See *Appendix A*)	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 it by initialing and dating it.
Review funds received to ensure they are U.S. funds only – no foreign currency or checks drawn on foreign banks (exception: Canadian checks).	Receiver - Designated Department Staff (See *Appendix A*)	Deliver all Canadian checks to the Treasurer's Office. Contact depositoryservices@umich.edu for assistance.

Activity	Responsibility	Reference/Comments
		Refer to Preparing & Making Deposits Quick Reference 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 - Designated Department Staff (See *Appendix A*)	If check is not correctly written, contact the check issuer; make arrangements to return check, and ask them to issue 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 over to the University and write "payable to Regents of the University of Michigan." For questions, contact depositoryservices@umich.edu.
Review checks to ensure date is written, is not future dated, or is not dated older than six months. Ensure check is not missing payer signature.	Receiver - Designated Department Staff (See *Appendix A*)	If date is not correctly written, contact the check issuer; make arrangements to return check, and ask them to issue new check payable to Regents of the University of Michigan with the correct date.
Restrictively endorse all checks using the U-M Treasury-issued rubber endorsement stamp. Step not applicable to departments utilizing Remote Deposit Capture –checks are virtually endorsed when they go through scanner.	Receiver - Designated Department Staff (See *Appendix A*)	Instructions and forms for ordering Treasury-issued deposit supplies are available on the Treasurer's Office website.
If necessary, issue a pre-numbered receipt for funds received and retain a copy of the receipt for balancing purposes.	Receiver - Designated Department Staff (See *Appendix A*)	Receipts are encouraged for all transactions. All receipts should be traceable to the individual who issued the receipt. 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.

Activity	Responsibility	Reference/Comments
Record funds received into a daily log detailing each transaction if a pre-numbered receipt is not given.	Receiver - Designated Department Staff (See *Appendix A*)	Entry should include date, amount, payer, purpose, type of payment, individual who received the funds, etc.
Secure cash and checks by placing them in a locked safe, cash box, drawer or cabinet. The safe, cash box, drawer or cabinet is continually visible to authorized department employees. *(where applicable)* The combination is changed when employees transfer or are terminated. *(where applicable)* Keys to the safe, cash box, drawer or cabinet are kept in a secure, secret place. Only the following individuals have access to the keys: Receivers - Designated Department Staff.	Receiver - Designated Department Staff (See *Appendix A*)	Only department supervisors and authorized personnel have access to the secure place (i.e. safe or cash box). Funds received should not be used to make purchases, cash personal checks, issue "IOUs", or retained for making change.
DEPOSITING		
The following positions are authorized to deposit cash and checks for the departments supported by Executive Business Services as determined by the Department Authority Administrators.	Depositor - Designated Department Staff (See *Appendix A*)	Positions responsible for depositing funds should not be responsible for receiving funds or performing reconciliation.

Activity	Responsibility	Reference/Comments
Update list of authorized users and Primary and Secondary Contacts in M-Pathways for all depository locations. This should include any staff changes such as a new staff member who will be depositing funds/allocating or a staff member who is no longer depositing/allocating funds. ***NOTE:*** *Internal Controls monthly push notification reports can be used to identify any employee who has made a deposit on a depository location but is not listed as an authorized depositor for that location. In addition, they can be used to identify any depository location that does not have a primary and/or secondary contact listed.*	Department Head, Department/Unit Approver	***NOTE:*** *For information on who should be an authorized user and step-by-step instructions see: https://finance.umich.edu/authorized-users.* *To opt in to receive monthly push notifications for Cash Handling (Cash and Checks) send an email request to OfficeofInternalControls@umich.edu. For more information see: Push Notifications on the Internal Controls website: https://finance.umich.edu/finops/controls/Reports*
All authorized depositors should receive proper depository training and certification prior to depositing cash/checks. *(not applicable to those units not making their own deposits)* ***NOTE:*** *Health System units not converted to the Treasury administered depository process do not need to take depository training but do need to take TME103 – Cash Handling Training.* ***NOTE:*** *Internal Controls monthly push notification reports can be used to identify any employee who has deposited on a depository location but has either not completed the Depository Certification Training (TME101) in My LINC or whose Depository Certification has expired.*	Depositor - Designated Department Staff (See *Appendix A*)	Information on web-based depository training classes is available on the Treasurer's Office website at https://finance.umich.edu/treasury/deposit-services/training. Or contact them at: depositoryservices@umich.edu The My LINC course number for the Depository Training Course is TME101. ***NOTE:*** *This course needs to be completed every two years.* *To opt in to receive monthly push notifications for Cash Handling (Cash and Checks) send an email request to OfficeofInternalControls@umich.edu. For more information see: Push Notifications on the Internal Controls website: https://finance.umich.edu/finops/controls/Reports*

Activity	Responsibility	Reference/Comments
Review the *FN03 JrnlDetail Deposit Management Report* in Business Objects to monitor items such as: • All deposit activity by location • All depositors and their certification status • Discrepancy trends ***NOTE:*** *Internal Controls monthly push notification reports can be used to identify any depository locations that have not had any activity for 24 or more months.*	Department/Unit Approver, EBS Analyst	Report can be accessed through Business Objects at: UM-Maintained > Financials > FN03 Journal Detail Click here for additional information regarding the report. *To opt in to receive monthly push notifications for Cash Handling (Cash and Checks) send an email request to OfficeofInternalControls@umich.edu. For more information see: Push Notifications on the Internal Controls website: https://finance.umich.edu/finops/controls/Reports*
Obtain funds and pre-numbered receipts and/or daily receipt log	Depositor - Designated Department Staff (See *Appendix A*)	
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, cash register Z-tapes, etc. where possible)	Depositor - Designated Department Staff (See *Appendix A*)	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.	Depositor - Designated Department Staff (See *Appendix A*)	
Record balances by retaining copies of deposits so they can later be reconciled with deposit amounts.	Depositor - Designated Department Staff (See *Appendix A*)	
Prepare the cash/checks for deposit.	Depositor - Designated Department Staff (See *Appendix A*)	Refer to: https://finance.umich.edu/treasury/deposit-services/training (if Ctrl + click does not work, copy and paste link into web browser)

Activity	Responsibility	Reference/Comments
		for instructions on preparing cash & coin, checks, and bulk coin for deposit. ***NOTE:*** *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 - Designated Department Staff (See *Appendix A*)	Refer to https://finance.umich.edu/treasury/deposit-services/training for instructions on preparing the deposit ticket for cash & coin, checks, and bulk coin.
Place the total funds (consistent with the deposit ticket amount) into the proper deposit bag and insert the deposit ticket into the clear inner pouch of the bag. Step not applicable to departments utilizing Remote Deposit Capture – checks are "scanned" through machine.	Depositor - Designated Department Staff (See *Appendix A*)	Cash and/or checks should be placed in a Treasury Cash/Checks deposit bag. Coin over $20 is placed in a special CoinLok deposit bag.
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.	Depositor - Designated Department Staff (See *Appendix A*), EBS Analyst or Specialist	Access online CRT application through Wolverine Access > Faculty & Staff > Finance > Cash Receipt Ticket For detailed instructions on how to create a CRT, see the Create an Online Cash Receipt Ticket simulation on My LINC.
Ensure that the Default Chartfields for each depository location are active and appropriate.	Department/Unit Approver, EBS Analyst or Specialist	Questions as to whether or not existing Default Chartfields are accurate, contact Accounting Services at: ssc.ga.accounting@umich.edu To change Default Chartfields, contact Treasurer's Office at: depositoryservices@umich.edu
Ensure all funds are being deposited into the proper expense or revenue account.	Depositor - Designated Department Staff (See *Appendix A*),	For assistance with determining the appropriate G/L account, contact SSC Accounting Services: https://ssc.umich.edu/accounting-services/

Activity	Responsibility	Reference/Comments
	EBS Analyst or Specialist	
Review chartfield allocations to ensure each deposit is posted in the correct General Ledger account. Initial/sign the printed CRT.	Department/Unit Approver, EBS Analyst or Specialist	Review and approval should be performed by someone who is not doing the deposit and who would be in the position of authority to confirm that chartfield allocations are accurate and appropriate. It should also not be performed by a direct report of the person preparing the deposit.
Ensure all funds are being deposited into a Treasury authorized University account.	Depositor - Designated Department Staff (See *Appendix A*)	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.
Maintain a record of all deposits and deposit information for reconciliation purposes. For EBS supported departments, the Check Logs are considered the logs of record. Additionally, copies of CRTs are retained by EBS.	Depositor - Designated Department Staff (See *Appendix A*), EBS Analyst or Specialist	Record details such as "who" gave the deposit to "whom", date, time, bag serial number (if applicable), amount, delivery method, etc. Record retention: Once the transaction has been reconciled to the SOA, deposit reports or other documentation containing sensitive data should be destroyed. ***NOTE: Making or saving copies of checks is strongly discouraged. If there is a valid business purpose, all numbers on the bottom of the check (micr line) must be redacted by covering or crossing out the numbers.***
Secure the deposit so that funds are not lost or comingled with other funds.	Depositor - Designated Department Staff (See *Appendix A*)	
Store deposit in a locked safe, cash box, drawer or cabinet until deposit is made. The safe, cash box, drawer or cabinet is continually visible to authorized department employees and the combination is changed on a regular basis. Keys to the safe, cash box, drawer or cabinet are kept in a secure, secret place.	Depositor - Designated Department Staff (See *Appendix A*)	Only department supervisors and authorized personnel have access to the secure place (i.e. safe or cash box).

Activity	Responsibility	Reference/Comments
Deposit funds: • At a university depository bank branch (Huntington Bank) • Through an automated deposit station • Via Remote Deposit Capture	Depositor - Designated Department Staff (See *Appendix A*)	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. While in transit to point of deposit, deposit contents and/or deposit bag should be concealed from the view by others. For detailed instructions and additional guidance on how deposits should be made see Complete Depository Training Guide under Guided simulations on the Depository Services/Training webpage. 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. For more information on special depository situations, see Section 2.5 in the Depository Training Guide. ***NOTE:*** *Should offices or building be closed deposits should be made when staff who are authorized depositors are in the office or at minimum once a month. See Deposit Services Guidance for Managing Deposits Post-Pandemic: https://finance.umich.edu/treasury/deposit-service/guidance-managing-deposits-during-covid19*
Receive acknowledgment of deposit made: • Receipt detailing the amount, date and account from the bank teller when depositing at a university depository branch • Receipt detailing the deposit bag serial number and date of deposit is	Depositor - Designated Department Staff (See *Appendix A*)	

Activity	Responsibility	Reference/Comments
received via email from the automated deposit station (If you do not receive a receipt, please contact Treasury at depositoryservices@umich.edu) • Acknowledgement (i.e. receipt, email, etc.) detailing date, amount and recipient from the department making the deposits (where possible) • Deposit Detail Report from Remote Deposit Capture		
ACCOUNTING & RECONCILIATION		
Verify weekly deposit activity using Business Objects report *FN03 JrnDetail Location Deposit Activity.*	EBS Analyst, SOA Reconciler	Refer to the "Run the FN03 JrnDetail Report in Business Objects Step-by-Step Procedure" in My LINC or Section 6.1 of the Depository Training Guide for detailed instructions on how to access this report.
Review the Cash Handling related Internal Control Management Oversight report in M-Reports and the Deposit Management report in Business Objects (FN03 Journal Detail) to monitor the following for reasonableness and appropriateness: • All deposit locations in unit and their activity • Certified depositors in unit and unauthorized deposit activity • Discrepancy trends	Department/Unit Approver, EBS Analyst	Report can be found in Wolverine Access > Faculty & Staff > Reporting > M-Reports under the Internal Controls menu within the Compliance tab > Internal Controls Other Reports/Tools > Cash Deposit Controls Business Objects report can be found at UM-Maintained > Financial > FN03 Journal detail
Reconcile SOA to ensure all current period deposit activity is accurately reflected on the SOA and consistent with the receipt log/receipts issued by comparing it to CRT confirmation pages, ticket book copies, etc. Confirm significant deposits or high-volume activity the next business day. Verify regular deposit activity weekly. Maintain proper evidence of reconciliation.	EBS Analyst, SOA Reconciler	Person performing reconciliation should not be the individual making the deposits. For more information on reconciling deposits to the SOA, see Section 6.2 of the Depository Training Guide.

Activity	Responsibility	Reference/Comments
Investigate and resolve all discrepancies on a timely basis. Reallocate funds thru a JE if deposit is not allocated correctly and take appropriate steps to ensure future allocations are correct.	EBS Analyst, SOA Reconciler	If a discrepancy is detected and cannot be resolved contact Depository Services at depositoryservices@umich.edu. ***NOTE:*** *FINPROD queries MGL04329_LOCATION_DEPOSIT_ACTV and M_GL_CRT_BY_DEPOSIT_TICKET can be used to investigate discrepancies. Instructions can be found on the Treasury Depository Services web page at https://finance.umich.edu/treasury/deposit-services/training.*

Other related information:

Key Contacts:

- depositoryservices@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	
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	

11/2016	Updated links and added clarifying language, added info regarding default chartfields.	4&6	
1/2018	Updated links and removed language regarding receipt of branch acceptance	3, 6, 7, 9, 10	
11/2018	All Treasury email references changed to depositoryservices@umich.edu Layout of questions updated to reflect Gap Analysis	1, 3, 5, 6, 9, & 10	
11/2019	Clarifying language and updated links	1-3, 5-8	
12/2021	Added notes by links that may need to be copied and pasted into web browser to work.	5, 6, 9, 10	
11/2022	Clarifying language and updated contact	7, 10	
12/2023	Added notes about Internal Control Push Reports. Updated links & removed COVID language.	5, 6, 9	
12/2024	Updated link for Depository Training Guide	9	

Document Owner: Executive Business Services (EBS) and its supported departments
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