



University of Alaska
Statewide Accounting Manual

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Title: Campus Business Office Cash Receipts

General:

The adequacy of internal control over cash receipts depends primarily on the business manager's ability to segregate the responsibilities for the performance of certain duties and provide a complimentary system of authorizations and approvals.

In general, no one individual should be responsible for handling all phases of a transaction. Nor should one individual be responsible for both the custody of an asset and the accounting for that asset.

Because of its nature, cash requires maximum attention to controls over its custody and the related accounting. To the extent practical, the individuals having cashier responsibility should not have responsibility for the following:

1. Processing of account receivable transactions or related functions, except for payments on accounts.
2. Recording general ledger journal entries without substantive supervisory review and approval.
3. Preparation of bank reconciliations.
4. Maintaining control balances on accounts receivable or transaction journals.
5. Receiving and comparing receipted bank deposit slips to daily cash reports.
6. Receiving and recording debit and credit memos from the bank.
7. Custody of other cash funds.
8. Preparing the incoming mail receipts log.



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Requirements and restrictions:

1. Checks must be restrictively endorsed "For Deposit Only" as soon as they are received.
2. Each day's receipts must be deposited without delay (generally not later than the following business day).
3. Large receipts (those in excess of \$20,000) must be deposited as soon as possible after receipt.
4. Prenumbered receipts must be issued for all cash received that is not subject to Banner entry or other appropriate receipt control.
5. Either duplicate deposit slips must be obtained from the bank or daily online bank activity must be obtained and compared to daily cash reports.
6. Cash received from others is not to be used to make procurements except where procedures are established for disbursement of petty cash.
7. For credit card transactions, refunds must be made to the original credit card within 90 days of the charge. After 90 days, refunds may be paid directly to the originating student, donor, agency, etc.



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Check Cashing:

1. \$50 maximum
2. Students, faculty, and staff only: business office managers may approve exceptions for certain visitors and others associated with the university.
3. Student or employee identification required: driver's license or military identification may be substituted for others authorized to cash checks at the business office.
4. No second party checks (checks not listing the university as payee), except for:
 - a. Cashier's checks
 - b. Money orders
 - c. State or federal treasury warrants
 - d. Traveler's checks
 - e. Others as approved by the business office manager
5. No stale-dated checks: checks which are over 90 days old.
6. No post-dated checks: checks dated after the date of receipt.
7. No counter checks: checks not imprinted with name, address and bank account number information.

Exceptions:

1. University of Alaska travel advance checks may be cashed for amounts in excess of the \$50 limit.
2. Local administrative practices may allow greater amounts for student financial aid checks.
3. Local administrative practices may be more restrictive.



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Voided Manual Cash Receipts:

The voided cash receipt procedure applies only to receipts not previously entered into the system. No reversals of accounting transactions are generated through this process.

Business Office Cashier

1. Writes "VOID" on all copies of the cash receipt.
2. Retains copy for balancing cash drawer and numeric files.
3. Accumulates the original, "Payee's Copy" of voided receipts on a daily basis.
4. Prepares voided, lost or mutilated cash receipts input form.
5. Attaches the payee's copy of the voided receipt (or an explanation of why the original is not available) to the input form.



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Non-Sufficient Funds (NSF) Checks:

Business Office Accounting Clerk

1. Receives bank debit memo, check listing and NSF checks from the bank.
2. Makes two copies of the checks (both front and back) and one copy of the listing and debit memo.
3. Enters receipt of NSF checks in a log providing the following:
 - Date of bank debit memo
 - Date of check
 - Payer
 - Amount
 - Date of charge to accounts receivable
 - Comment section
4. Researches each check to determine resolution.
 - No information available and/or no contact by Payer - Forward to collection agency
 - A problem noted with the original transaction and receiving department will resolve - Return to department
 - Contact by Payer with immediate expectation of receipt of cash – Enter into student receivables and hold check.
5. Prepares regular accounts receivable charge form to record returned check as a receivable (charge type code *NSF) including the \$25 NSF fee.
 - Recorded to collection agency receivable account
 - Recorded against revenue from department
 - Recorded to appropriate student receivable account.

*This code may vary by campus.



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6. One copy of the charge slip, debit memo, check listing, and copy of checks is provided to a cashier for entry into Banner.
7. One copy of the charge slip, debit memo, check listing, and copy of checks is provided to the collections department.
8. The original checks are either sent to the collection agency or maintained in a file for Payer pickup as appropriate based on research from step #4 above.

Business Office Cashier

9. Enters charges from step #6 into a new cashier session devoted solely to processing a single day's returned checks from the bank. This facilitates the bank reconciliation by ensuring that a single cashier session will agree to a single debit from the bank.
10. Places a hold on each student's account as determined in step #4 above through SOAHOLD. The hold code is AR. The description identifies the NSF and whether it was sent to the collection agency, applied to the student's account, or returned to the department. The orig is *BUS.

*This code may vary by campus.
11. Stamps charge forms "ENTERED" and files with cashier session summary.

Business Office Accounting Clerk

12. Notes disposition in log from step #2.