

CASH HANDLING POLICY



CASH HANDLING POLICY			
Effective Date	March 5, 2019	Policy Type	Administrative
Responsibility	Director, Financial Services	Cross-Reference	1. Financial Signing Authority Policy 2. Invoice Request Form 3. Petty Cash Reconciliation Form 4. Procurement Policy
Approver	Executive Council	Appendices	1. Cash Collection Point Procedures 2. Approved Cash Collection Points
Review Schedule	Every 5 Years		

1. Policy Statement

- 1.1. Grande Prairie Regional College (“GPRC” or the “College”) is committed to ensuring that appropriate internal controls and documented procedures are established to prevent financial loss, promote security and safety of its employees, and ensure accurate recording and reporting of financial information.

2. Background

- 2.1. The College earns revenue from a variety of sources including tuition, sale of services and products, donations, and other contributions. The College has decentralized cash receipting and collection processes to facilitate the provision of goods and services to the College Community.
- 2.2. Effective processes and controls are required for collecting, receipting, recording and safeguarding of all sources of income.

3. Policy Objective

- 3.1. The objective of this policy is to ensure effective stewardship of all funds collected and administered by the College by outlining the responsibilities and requirements related to the safeguarding of cash, segregation of duties involving cash, and processes for deposit of cash.

4. Scope

- 4.1. This policy applies to all staff, students, volunteers, or others who handle cash, receivables, or receipts on behalf of the College, or funds administered by the College.

5. Definitions

- 5.1. “Accounts Receivable” is a function of Financial Services, where charges (invoices) and payments (receipts) are tracked on a per customer basis.
- 5.2. “Cash” may be comprised of coin, currency, cheques, money orders, credit and debit card transactions, gift cards, and electronic funds transfers.
- 5.3. “Cash Collection Points” are defined as departments or other units that handle cash on a regular basis.

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- 5.4. "Cash Float" is an opening balance of cash, including bills and coins, used for the purpose of making change.
- 5.5. "Petty Cash" is cash on hand that is used for paying small amounts owed for expenses, or reimbursement of expenses.
- 5.6. "Point of Purchase" is the time and place where a transaction for goods and services is completed. The product or service is provided at the time the payment is received.
- 5.7. "Segregation of Duties" is an internal control that involves separating the responsibility of performing three main functions: maintaining custody of assets, authorizing use of assets, record keeping and/or reconciliation of assets.

6. General Provisions

- 6.1. The opening and closing of bank accounts in the name of, or in relation to, Grande Prairie Regional College can only be performed by designated signing authorities as approved by the Board of Governors.
- 6.2. GPRC reserves the right to take into custody and manage all funds collected by any group that references Grande Prairie Regional College in its name, or the activity is part of the curriculum, or where GPRC employees are placed in a position of trust.
- 6.3. GPRC may enter into agreements with other legal entities giving them contractual rights to accept cash on behalf of the College.
- 6.4. Financial Services is the primary cash collection point for the College.
- 6.5. Financial Services is the only department authorized to order pre-numbered, duplicate receipts, for the College.
- 6.6. Financial Services will establish appropriate internal controls and cash handling procedures to ensure the good stewardship of cash assets to minimize the risk of loss. Refer to Appendix 1, Cash Collection Point Procedures.
- 6.7. Cash collected on behalf of, or in relation to, any sale of products or services, student activities, donations, or other contributions, must be done through an approved cash collection point. Refer to Appendix 2, Approved Cash Collection Points.
- 6.8. Only departments authorized through Financial Services may handle cash or undertake activities that include cash handling.
- 6.9. Departments that wish to be named as a cash collection point may make a request to the Director, Financial Services and demonstrate the ability to follow appropriate cash handling procedures.
- 6.10. Departments that occasionally handle cash receipts are also required to follow procedures and guidelines that apply to cash collection points.

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- 6.11. All funds collected on behalf of the College from any source are to be delivered to Financial Services for secure delivery to the bank, unless otherwise authorized by the Director, Financial Services.

7. Revenue, Receivables and Receipts

- 7.1. The most preferred and transparent means of collecting revenues from students, customers, and others, is invoicing through Accounts Receivable, unless the transaction is considered point of purchase.
- 7.2. All external invoicing is to be processed by Financial Services. Refer to Invoice Request Form on the GPRC Assistant.
- 7.3. All Invoice Request Forms must be signed by a designated signing officer, as per the Financial Signing Authority Policy, or, accompany an executed contract.
- 7.4. Payments for charges on Accounts Receivable can only be received by cash collection points that issue pre-numbered receipts.

8. Guidelines for Cash Collection Points

- 8.1. Cash collection points are responsible for ensuring that individuals handling cash and other sources of revenue are properly trained in cash handling procedures.
- 8.2. Cash collection points are responsible for ensuring that the collection of cash, maintenance of documentation, preparation of deposits and reconciliation of records are distributed between two or more positions and employees in those positions; this is referred to as segregation of duties.
- 8.3. Cash collection points, where segregation of duties is not feasible, must implement alternative and compensating controls, such as a secondary reviewer of cash reconciliations or as approved by Financial Services, to achieve an acceptable level of control.
- 8.4. Cash funds must not be left unattended. Cash funds may be stored in a cash box within a safe or locked cabinet, to which access is preferably restricted to the cashier or a person in the department acting as the cashier.
- 8.5. All cash received must be recorded through a cash register, unless payments are being accepted off-site and it's impractical to do so.
- 8.6. If a cash register is not available:
 - 8.6.1. A pre-numbered receipt must be issued to the customer and a duplicate copy retained by the cash collection point, or
 - 8.6.2. Payment methods must be restricted to non-cash sales, such as debit card, credit card, or personal cheque, or

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- 8.6.3. Written request must be made to, and approval obtained from, Financial Services prior to the event that requires collection of funds.
- 8.7. Cash collection points that require an Interac Point-of-Sale (POS) terminal to accept debit cards and credit cards on a short-term temporary basis must request the equipment through the Manager, Accounts Receivable.
- 8.8. Cash collection points are responsible for the physical security of POS equipment and related items.
- 8.9. Post-dated cheques are not an acceptable method of payment, unless expressly authorized by the Director, Financial Services.
- 8.10. The cash received must be reconciled daily, or on a schedule as agreed with Financial Services, to the cash register or to the pre-numbered receipts.
- 8.11. All bank deposits must be delivered to, and logged with Financial Services.
- 8.12. Deposits must include all payments received; expenses must not be paid from these funds.
- 8.13. Cash collection points may be issued a cash float for the purpose of making change. These cash floats are not to be used for personal loans or for the payment of expenses.

9. Guidelines for Petty Cash Funds

- 9.1. A petty cash fund may be applied for, or increased by, a written request to the Director, Financial Services which provides rationale for the need, the amount requested, and evidence of approval from the respective Dean or Director.
- 9.2. The petty cash fund must at all times be kept in a safe or locked cabinet under the control of the responsible person. Only the responsible person may have access to the petty cash fund.
- 9.3. The petty cash fund must at all times contain the authorized amount of cash and/or receipts for amounts paid. The funds may not be used for personal loans, cheque cashing, or for salaries.
- 9.4. The person responsible for each petty cash fund should establish a maximum size, which can be no larger than \$100, for petty cash payments from the petty cash fund.
- 9.5. Petty cash should only be used as a convenient method to pay nominal supply expense claims and is not intended for larger payments or frequent payments, which should be reimbursed through Accounts Payable. Refer to Procurement Policy.
- 9.6. Petty cash reimbursements must be in compliance with, and have the same required documentation as other expense claims, in accordance with College policy.
- 9.7. To replenish the petty cash fund, a Petty Cash Reimbursement Form must be completed. The form would show the persons reimbursed, the amounts, and the account numbers to be

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charged. All receipts must be attached, with the approvals from the signing authority for the account charged.

- 9.8. Payments received must not be added to the petty cash fund, but must be processed as per the procedures for a cash collection point.

10. Roles and Responsibilities

Stakeholder	Responsibilities
Executive Council	<ul style="list-style-type: none">• Approve and formally support this policy.
Vice-President Administration	<ul style="list-style-type: none">• Review for approval, exceptions to this policy.
Director, Financial Services	<ul style="list-style-type: none">• Review, for approval, applications for cash handling collection points.• Review, for approval, applications for petty cash, or increases to petty cash.• Review, for approval, alternative transportation of deposits to the bank.• Review, for approval, acceptance of post-dated cheques.• Review, for approval, exceptions to this policy.
Financial Services Staff	<ul style="list-style-type: none">• Invoice Accounts Receivable as requested by appropriate signing officers.• Process receipts and sales in a timely manner.• Perform monitoring and reviewing of accounts receivable accounts.
Manager Accounts Receivable	<ul style="list-style-type: none">• Approve the loaning of POS equipment on a short term basis.

11. Exceptions to the Policy

11.1. Exceptions to the guiding principles in this policy must be documented and formally approved by the Vice-President Administration and Director, Financial Services. Evidence of the approval must be submitted to Financial Services for processing.

11.2. Policy exceptions must describe:

- 11.2.1. The nature of the exception
- 11.2.2. A reasonable explanation for why the policy exception is required
- 11.2.3. Any risks created by the policy exception

12. Inquiries

12.1. Inquiries regarding this policy can be directed to the Director, Financial Services.

13. Amendments (Revision History)

13.1. Amendments to this policy will be published from time to time and circulated to the College Community.

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Appendix 1 – Cash Collection Point Procedures

1. All funds collected for the College from any source must be delivered to Financial Services on a daily basis. Where daily deposits are not practical, deposits can be made on a schedule agreed upon by Financial Services, no less than once per week.
2. Counting of cash and receipts should be performed in a secure office, or in the presence of two or more responsible parties.
3. A cash reconciliation form and copies of receipts are to be included in the daily deposits. Any receipts that have been voided must be included in the deposit.
4. Individuals handling cash are responsible for closing and balancing their cashier session. This includes closing the POS batch in a timely manner, and printing any necessary POS reports to be included in the cash collection point's cash reconciliation.
5. All cash overages and shortages are to be documented by a cash collection point on the cash reconciliation form that accompanies the deposit.
6. Pre-numbered receipts can be obtained through Financial Services.
7. Cheques, money orders and bank drafts must be made payable to Grande Prairie Regional College.
8. POS machines and associated administration cards and PINs, must be kept in a secure location when not in use.
9. POS machines must be logged-off at the end of each business day.

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Appendix 2 – Approved Cash Collection Points

The following table represents Cash Collection Points approved by the Director, Financial Services on the effective date of this policy. This list will be updated from time to time, when required.

Department	Types of Transactions
Continuing Education	Primarily the collection of non-credit training tuition and related fees.
Event Services	Primarily event ticket sales and bar service sales.
Financial Services	Primarily the collection of accounts receivable, tuition for credit and non-credit training, grants, sponsorships, and miscellaneous goods and services.
Fine Arts - Conservatory	Primarily the collection of non-credit, conservatory fees such as lessons, ensemble groups and special event ticket sales.
Foundation / Community Relations	Primarily the collection of donations, sponsorships, and sales related to special events.
Residence	Primarily the collection of rental revenue, laundry sales, and damage deposits for housing residents.
Sport, Fitness, and Wellness This department includes the Climbing Gym, Fitness Centre (FV and GP) and Athletics.	Primarily collects membership fees and entrance fees for various recreational facilities. Also collects equipment rental revenue, home game gate revenue, and concession sales.
Student Experience This division includes Student Services and the Library.	Student Services primarily collects tuition and related fees for credit students. The Testing Centre is also part of Student Services. The Testing Centre primarily collects testing fees. The Library primarily collects late fines and sells printing cards.