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# Cash Handling Procedure

## Finance Policy

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### 1 Purpose

This procedure provides a series of cash handling practices for Victoria University of Wellington (the “University”) to supplement and support the cash handling material contained within the [Treasury Statute](#) issued by the Finance Policy Group.

The cash handling procedure focuses on preventing the mishandling or loss of cash, and situations where charges of cash mishandling can be raised against University staff. It is intended that the procedure will ensure consistency of cash handling practices amongst Schools and Central Service Units.

### 2 Organisational Scope

This is a University-wide procedure and shall apply to all University staff.

### 3 Definitions

For purposes of this procedure, unless otherwise stated, the following definitions shall apply:

Bank:	The Kelburn Campus branch of the National Bank of New Zealand.
Cash:	Encompasses all forms of payment accepted by the University, including; currency, cheques, money-orders, and credit card and EFTPOS transactions.
Cash Collection Point:	Any area within a School or Central Service Unit which receives and/or handles cash on a regular basis, and is approved by Finance as a designated cash collection point.
Cash Handling:	Includes the receipt, storage, banking, and distribution of cash.
Casual Cash Collection:	Ad-hoc collection of cash by a School or Central Service Unit, outside of a cash collection point. Includes the receipt of gifts, donations, grants, non-recurring fees, and sales.
Currency:	Notes and coins.
Staff:	Any person with an employment agreement with the University, including an independent contractor (being a person with a contract for services with the University); or an employee of a separate organisation that is contracted to perform work on University premises.

## 4 Procedure Content and Guidelines

### 4.1 Cash Collection Points

#### 4.1.1 Cash Collection Point Status

Cash collection point status:

- (a) can only be assigned to a School or Central Service Unit by Finance; and
- (b) will only be assigned where there is evidence that the applicant receives and/or handles cash on a regular basis.

#### 4.1.2 Cash Handling Staff Authorisation

- (a) Cash may only be handled by a staff member after approval has been granted by another staff member with the appropriate authority to do so, typically the Head of the School or Central Service Unit.
- (b) Written notice signed by the individual granting authorisation must be sent by Finance. The notice will include the name of the staff member being granted authorisation to handle cash, their job title, and the reasons for the handling of cash.
- (c) The staff member delegated with the authority to handle cash shall provide a signed written notice acknowledging their understanding of the Treasury Policy and of this procedure, and their obligation to comply with it.

#### 4.1.3 Changes in Cash Handling Staff

If a staff member authorised to handle cash no longer requires that authorisation, the onus is on the School or Central Service Unit to update their own records and send written notice of the change to Finance. This includes circumstances where the staff member leaves their position in the cash collection point for another position in the University, or leaves the University.

#### 4.1.4 Equipping a Cash Collection Point

A cash collection point will require equipment for the receipting, secure storage, and subsequent banking of cash, as well as staff safety. Note that the equipment required will depend on the nature and volume of transactions that a cash collection point will be processing, and that the cash collection point is required to agree equipment requirements with Finance. The potential equipment items that a cash collection point may require are:

- (a) Receipting Cash
  - (i) Cash register or cash drawer with a lock to restrict access to staff authorised to handle cash for the intra-day secure storage of cash;
  - (ii) EFTPOS terminal for the processing of EFTPOS and credit card transactions; and
  - (iii) Computer terminal and relevant software for the timely processing of customer transactions.
- (b) Secure Storage of Cash
  - (i) Safe or similar storage unit for the overnight secure storage of cash.
- (c) Banking of Cash
  - (i) Bank deposit book;
  - (ii) Bank deposit bags; and

- (iii) Unmarked bags for the transport of cash to the Payments Team or the Bank.
- (d) Safety of Staff
  - (i) Easily accessible panic button, monitored by Campus Care; and
  - (ii) Cashier-cage or counter-screen.

## **4.2 Safekeeping of Cash**

### **4.2.1 Storage of Cash**

- (a) During business hours all cash should be securely stored in a locked cash register, cash drawer, or similar, with access restricted to authorised cash handling staff.
- (b) For staff security, during business hours the amount of cash securely stored in a locked cash register, cash drawer, or similar, should be monitored. Where necessary cash should be transferred into a safe or similar for secure storage.
- (c) Outside of business hours, all cash should be securely stored in a safe or similar, away from where cash is typically handled. Cash should not be stored in an obvious place, such as in a locked cash tin on the cashier counter.

### **4.2.2 Safe Combinations**

- (a) Combinations for all safes used by the University must be recorded by Finance. Finance will also communicate the safe combination to the Bank. The onus is on the Schools and Central Service Units using the safes to send Finance written notice of the safe combination.
- (b) Knowledge of the safe combination should be limited to those who require access to the safe.
- (c) The safe combination should be changed whenever someone with knowledge of the safe combination leaves their position in the cash collection point for another position in the University, or leaves the University.

## **4.3 Staff Security**

### **4.3.1 Safety of Staff**

Each cash collection point should consider staff safety issues. Threats to staff safety may include collection of an unusually high amount of cash in a short period, or the presence of a threatening individual or group. The points that should be considered by each cash collection point for inclusion into their formal procedures are:

- (a) The cash collection point should have a formal procedure for the training of cash handling staff, with particular attention paid to dealing with aggressive or threatening customers.
- (b) The set-up of the cash collection point should be appropriate to the nature and volume of transactions.
- (c) The relationship between the cash collection point and Campus Care should reflect the level of security that may be required.

### **4.3.2 Security Services**

For some cash collection points it will be deemed appropriate to establish an ongoing security arrangement with Campus Care, such as installation of a continuously monitored

panic button. The onus is on the Schools and Central Service Units to contact Finance for assistance in establishing such an arrangement.

#### **4.4 Receipting and Distributing Cash**

The points that should be considered by each cash collection point for inclusion into their formal procedures are:

##### **4.4.1 Issue of Receipts**

- (a) A receipt should be issued to the customer by the cash collection point immediately upon receipt of cash.
- (b) A carbon-copy of the receipt should be retained and filed by the cash collection point.

##### **4.4.2 Receipt of Remittance Advice**

- (a) A remittance advice should be issued to the customer by the cash collection point immediately upon distribution of cash.
- (b) For over-the-counter transactions the cash handler should obtain the customer's signature as verification of their agreement that they have received the full amount of payment required.

##### **4.4.3 Issue of Receipts or Remittance Advice**

The receipting system should be logical and comprehensive to allow the customer and cash collection point to retain a full record of a transaction. The receipts issued by the cash collection point should incorporate the following features:

- (a) identify the cash collection point and their contact details;
- (b) logically ordered, for example in numerical order;
- (c) carbon-copy to allow customer and cash collection point to retain a copy; and
- (d) record salient features of the transaction, including:
  - (i) date of the transaction;
  - (ii) nature of the transaction;
  - (iii) amount; and
  - (iv) breakdown of GST if applicable.

The cash collection point should logically file receipts, for example in chronological order, for future reference.

##### **4.4.4 Due Care**

Cash handlers must exercise due care when receipting cash to ensure that the:

- (a) customer provides the full amount of payment required; and
- (b) payment method is legal tender.

##### **4.4.5 Currency Transactions**

- (a) Authorised cash handlers must exercise due care to ensure that no counterfeit currency is accepted.
- (b) If any counterfeit currency is encountered the details must be immediately reported to Campus Care.

- (c) Currency should be counted in front of the customer twice, to help prevent any misunderstanding over the amount of cash that the customer has presented to the cashier.

#### **4.4.6 Credit Card Transactions**

Authorised cash handlers must exercise due care to ensure that the:

- (a) cardholder is the rightful owner of the credit card, typically by verifying the cardholder's signature against that on the credit card; and
- (b) credit card is active by checking the expiry date printed on the credit card.

#### **4.4.7 EFTPOS**

Authorised cash handlers:

- (a) must exercise due care to ensure that an EFTPOS transaction has been successful by checking its "accepted" status. If the status is "declined" the transaction has not been successful and the goods or service in question should not be provided, and no receipt should be issued
- (b) must not provide EFTPOS "cash-out" service, as this indicates that there are excess funds on the premises and may pose a security risk.

#### **4.4.8 Cheques**

Authorised cash handlers must exercise due care to ensure as far as possible that a cheque:

- (a) is made out to "Victoria University of Wellington";
- (b) has been marked as "Not Transferable" to protect the cheque if it is lost or stolen;
  - (i) is supported by suitable identification such as a current student identification card, driver licence, passport, or credit card; and
  - (ii) has not been post-dated.

### **4.5 Record Keeping**

#### **4.5.1 Daily Record Keeping**

The cash collection point should create a formal record of cash handling transactions at the close of each business day. This is typically referred to as a "daily balance".

#### **4.5.2 Daily Balance**

The daily balance must contain information on the following:

- (i) the total physical cash received;
- (ii) the total physical cash distributed;
- (iii) a breakdown of the modes of cash received;
- (iv) a breakdown of the modes of cash distributed;
- (v) a reconciliation of physical cash received and distributed against the receipting system, regardless of whether that system is manual or automated;
- (vi) a breakdown of any difference between the physical cash balance against the cashier system cash balance (referred to as a "cash surplus" or "cash shortage"); and

- (vii) an explanation of any difference between the physical cash balance against the system cash balance.

#### **4.5.3 Cash Surpluses or Shortages**

- (a) As a result of the daily record keeping, a cash surplus or shortage may be identified. If so, the following procedures must be followed by the manager of the cash collection point:
  - (i) disclose the amount and reason for the cash surplus to Finance and deposit the surplus with the Payments Team for safekeeping;
  - (ii) disclose the amount and reason for the cash shortage to Finance; and
  - (iii) disclose the details of any attempts that have been made to recover the cash to Finance. This is especially relevant in circumstances where a customer can be identified as having short-paid.
- (b) In the event of a difference between the physical cash balance and the system cash balance, the cash collection point should determine whether it is indicative of any material weakness in their cash handling procedures. If so, the procedure should be amended to eliminate the weakness.

#### **4.5.4 Misappropriation, Theft, or Loss of Cash**

- (a) A manager of a cash collection point should disclose details of any misappropriation, theft, or loss of cash to Finance immediately.
- (b) If appropriate Finance should inform Campus Care of the misappropriation, theft, or loss of cash immediately, and will coordinate an investigation of the incident.
- (c) The manager of the cash collection point must follow relevant University disciplinary procedures if staff are involved in a misappropriation, theft, or loss of cash. This would involve consultation with Human Resources.
- (d) In the event of a misappropriation, theft, or loss of cash, the cash collection point should determine whether it is indicative of any material weakness in their cash handling procedures. If so, the procedure must be amended to eliminate the weakness.

### **4.6 Deposit of Cash**

#### **4.6.1 Authorisation to Deposit Cash**

- (a) Only Schools or Central Service Units that have been issued with a deposit book are permitted to deposit their cash directly with the Bank.
- (b) The Payments Team has the delegated authority to issue deposit books to Schools or Central Service Units where they deem it to be appropriate.
- (c) Any School or Central Service Unit that has cash to deposit but has not been issued with a deposit book must present the cash to the Payments Team, who will coordinate the deposit into the Bank.

#### **4.6.2 Bank Accounts**

- (a) Cash received on behalf of the University may only be deposited into designated University bank accounts. Deposit of University cash into any other bank account is prohibited and deemed as serious misconduct for the purpose of staff performance.
- (b) If there is any confusion about which bank account is the most appropriate for the cash to be deposited into, the Payments Team should be contacted for advice.

#### 4.6.3 Preparation of Cash for Bank Deposit

- (a) To preserve the policy of segregation of duties, cash for deposit directly with the Bank or the Payments Team should be prepared by a staff member not involved with the receipting or distribution of cash. Where this is not possible, cash deposits should be prepared under dual control.
- (b) Where a cash collection point has authorisation to deposit cash directly with the Bank:
  - (i) deposits must be prepared using a deposit book issued by Finance; and
  - (ii) records of the deposit must be retained.
- (c) Where a cash collection point has no authorisation to deposit cash directly with the Bank, they must deposit cash with the Payments Team. The cash for deposit must be accompanied with logical documentation recording date and amount details.
- (d) Where a cash handling site is established temporarily on or off Campus, cash must be deposited as soon as possible after the event.

#### 4.6.4 Frequency of Deposit

- (a) Timely deposit of cash will help ensure the safekeeping of the University's funds and the security of the staff in the cash collection points.
- (b) Cash ready for deposit with the Payments Team or the Bank must never be taken off Campus.
- (c) The University's interpretation of the requirements of the Public Finance Act 1989 for the frequency of deposit of cash are outlined below, and these should be incorporated into the procedures of the cash collection point. Cumulative receipts and minimum frequency of deposit directly to the Bank or via the Payments Team are:
  - (i) Up to \$499 within 5 business days;
  - (ii) \$500 to \$2,999 within 3 business days;
  - (iii) \$3,000 to \$4,999 within 2 working days;
  - (iv) \$5,000 to \$19,999 within 1 working day;
  - (v) \$20,000 to \$49,999 during that day; and
  - (vi) \$50,000 or greater immediately.

#### 4.6.5 Transportation of Cash

Care and caution must be exercised when cash deposits are being transported to or from the Payments Team or the Bank.

- (a) Transportation of deposits should not conform to any regular time. Wherever possible such transportation should be irregular, subject to change without notice, and specific details should only be known by a select few.
- (b) Deposits containing cheques, EFTPOS, and credit card transactions may be sent to the Payments Team via the University internal mail system.
- (c) Deposits containing currency should never be sent to the Payments Team via the University internal-mail system.
- (d) The details of cash transported to the cash collection point should be recorded into a log immediately on arrival.

- (e) The details of cash transported from the cash collection point should be recorded into a log prior to departure.
- (f) If a School or Central Service Unit has a deposit of greater than \$20,000 for the Bank or Payments Team, they should always contact the Team Leader of the Payments Team who will arrange supervised transportation with Campus Care.

#### **4.6.6 Transfer of Accountability**

If a cash deposit is not being transported by the person it was prepared by, a transfer of accountability must be recorded into a log, with the following information:

- (i) name and signature of the person who prepared the cash deposit;
- (ii) name and signature of the person transporting the cash deposit;
- (iii) date of the transfer of accountability;
- (iv) date the deposit will be made, either with the Bank or the Payments Team; and
- (v) amount of the deposit.

#### **4.6.7 Intact Deposit of Cash**

The following are examples of prohibited activities. Occurrences should be treated as serious misconduct under the staff Conduct Policy:

- (i) theft of cash;
- (ii) borrowing cash for personal use;
- (iii) cashing cheques from University deposits;
- (iv) deposit of University cash into a bank account other than a designated University bank account;
- (v) smoothing cash receipt records to conceal shortages in cash receipts; and
- (vi) alterations to cash records.

## **5 Legislative Compliance**

Though the University is required to manage its policy documentation within a legislative framework; there is no specific legislation directing this procedure.

## **6 References**

[Treasury Statute](#)

[Conduct Policy](#)

Previous version: [Cash Handling Procedure](#)

## **7 Appendices**

None

## **8 Approval Agency**

Chief Financial Officer

## **9 Contact Person**

The following person may be approached on a routine basis in relation to this procedure:

Manager, Finance Business Processes and Procurement Operations

Ext. 5910