1. Introduction

In compliance with Durham College’s Payment Transactions and Recording Policy (ADMIN-226), this procedure states the responsibilities and required procedures related to the safeguarding of cash, segregation of duties, the processing of payments and ensuring completeness of recording transactions. Specifically, this procedure sets out the steps to be taken by all Durham College departments and academic schools when dealing with customer payment collections, refunds and void transactions, balancing of cash receipts, review of records and preparation of deposits, deposits of cash to the bank and daily reconciliation of bank deposits with Banner entries.

2. Definitions

2.1. Cash

Cash refers to all forms of payment accepted by the college, including currency, cheques, credit and debit card.

2.2. Cash collection centre

Cash collection centre refers to any area within the college that receives and/or handles cash on a regular basis, and is approved by the Finance department as a designated cash collection centre.

2.3. Cash handling

Cash handling refers to the receipt, storage, banking and distribution of cash.

2.4. Refunds

Refunds refer to the process of giving back value for amounts previously collected as payments.
2.5. Voids

Voids refer to the cancellation of a transaction that was previously entered or processed.

2.6. Balancing of cash receipts

Balancing of cash receipts refers to the process of reconciling the total payments collected with the related records in the financial system.

2.7. Review of records

Review of records refers to a control process that involves rechecking and verifying that the cash-receipt-records are correct and complete, and that they agree with the actual payments collected.

2.8. Preparation of deposits

Preparation of deposits refers to the process of rechecking the payments collected and entering the details on a deposit slip for lodgment to the college’s bank account.

2.9. Deposit of cash to the bank

Deposit of cash to the bank refers to the process by which the payments collected are physically transferred to the bank.

2.10. Daily reconciliation of bank deposits with Banner entries

Daily reconciliation of bank deposits with Banner entries refers to the control process that verifies that cash deposits are correctly credited to the college bank account and verified against the related records in the financial system.

3. Procedure

3.1. Safeguarding cash

3.1.1. All cash must be kept in a secure location.

3.1.2. During business hours, all cash should be stored in a secure cash drawer, or similar, with access restricted to authorized cash handling employees.

3.1.3. During non-business hours, all cash should be stored in a safe, or similar, away from where cash is typically handled.
3.2. Segregation of duties

3.2.1. Critical controls such as segregation of duties, limited access, and regular reconciliation are important in handling customer payments. The number of individuals authorized to receive and handle payments should be limited.

3.2.2. To ensure segregation of duties, the cash for deposit should be prepared by an employee not involved with the receipting or distribution of cash. Where this is not possible due to limited resources, cash deposits should be prepared under the supervision of a superior. The supervisor should compare the record on the initial receipt of cash to the amount deposited.

3.3. Cash collections

3.3.1. All cash received must be processed through J-Point or other approved third-party software such as BookWare (Book store), Class 9 (Athletics) or Tomahawk (Parking), hereafter the ‘POS Software’.

3.3.2. The customer must be presented with a receipt. A duplicate record should be retained electronically by the cashiering system.

3.3.3. All transactions must be properly entered by tender type (cash, cheque, Interac, Visa, etc.) in order to properly reconcile the transactions at the end of a shift or end of the day.

3.3.4. All cheques must be made payable to ‘Durham College’ and when received should be immediately stamped on the back with the college’s restrictive endorsement. This should be manually done with an approved stamp if the computerized system is unable to do it.

3.3.5. Personal cheques should not be accepted as a form of payment (except through the Campus Recreation and Wellness Centre).

3.3.6. Cash collection centres are not permitted to ‘cash’ any cheque instrument (including money orders, traveller’s cheques and personal cheques) or allow individuals to ‘cash’ cheques from un-deposited funds.

3.3.7. Payment transactions should not be accepted or processed for more than the amount of purchase.

3.3.8. For credit card payments, personal identification should be presented at the time of the transaction and compared to the credit card for fraud prevention.

3.3.9. Credit card transactions should not be conducted via e-mail, telephone (except through the Durham College Test Centre and the Contact Centre in Enrolment Services, and the Campus Health Centre), or by fax (except on forms containing an approved Payment Remittance section).
3.3.10. In accordance with PCI compliance standards, it is forbidden to store credit card information via paper copy. Credit card information must be destroyed or blacked out if on a form.

3.3.11. Each cash collection centre should understand and follow employee safety guidelines and take precautions to ensure effective security is in place when handling and transporting cash.

3.4. **Refunds and void transactions**

3.4.1. Refunds from a cashier’s till are permitted where it relates to payments received on the same day, where the cashier’s session has not been closed and balanced, and where the refund is being issued in the same tender.

3.4.2. All refunds must be authorized by the cash collection centre’s manager/supervisor.

3.4.3. All voided transactions must be authorized by the cash collection centre’s supervisor/manager.

3.4.4. Payments originally received in the form of credit cards must be refunded back to the same card.

3.4.5. Where the refund is not related to a same-day transaction, repayment should be made by submitting a request to the Accounts Payable department for refund, to the benefit of the student, by cheque.

3.5. **Balancing of cash receipts**

3.5.1. At the end of each shift, the cashier should count the cash and cheques in her or his till.

3.5.2. The cashier should validate his or her live counts (Step 1 above) with their cashiering software. If there are discrepancies, the cashier is to investigate, identify and correct, if possible. Any errors the cashier cannot identify and correct her or himself should be referred to her or his supervisor/manager or the lead cashier. Refer to departmental cashiering manuals for specific procedures.

3.5.3. Once the cashier’s session has been balanced, or unresolved discrepancies have been documented and referred for follow-up, the cashier should close off the session, and complete the Daily Cashier Summary Report template, which can be found in: I:\TREASURY\Forms\. (There is a spreadsheet for J-Point users, ‘J-Point Closing Calculator.xlsx’, and spreadsheet for non-J-Point users and the Bookstore, ‘Summary – Daily (Everyone).xlsx).
3.5.4. The cashier should make a photocopy of any cheques included in their deposit. If the cheque includes anti-copying features, a clear scan of the cheque should be taken instead.

3.5.5. The Daily Cashier Summary Report and all supporting documentation should be placed in a file folder for review by the supervisor.

3.5.6. Cash and cheques for deposit, as well as the Daily Cashier Summary Report should be secured in a vault or safe for the night.

3.6. Review of records and preparation of deposits

3.6.1. The review of deposits and records should be done by the supervisor/manager of the cash collection centre or a supervisor/manager designate, who is independent of the cash receipts and recording processes (the person doing this function is herein after referred to as depositor).

3.6.2. All funds must be deposited intact, and not intermingled or substituted with other funds.

3.6.3. The depositor should retrieve the previous day's cashier file folders and related deposits from the vault.

3.6.4. In a secure room, the depositor should recount the cash and cheques for each cashier's session and prepare the bank deposit slip. Each cash collection centre has its own pre-printed three-part bank deposit slips, which identify the department on bank records.

3.6.5. Cash, cheques and the white and yellow copies of the completed bank deposit slip should be sealed in a deposit bag provided by the College contracted secure cash transportation service. Deposited funds in any single bag are not to exceed our insurable deposit limit of $300,000.

a) Complete the deposit bag label by writing in the pickup location, deposit amount, the pickup date, the number of this bag of the total number of bags being picked up on the day (e.g. 1 of 3), and the delivery location. (Use only ballpoint pens for this section.)

b) This bag is to be stored in the vault or safe until pickup by the armoured car service.
3.6.6. The depositor should review the Daily Cashier Summary Report, and agree the deposited totals to these reports.

   a) If there are undocumented discrepancies between the provided counts, Banner, and the POS software, the depositor should consult with the cashier. The cashier and depositor should both sign for any added explanations.

   b) If discrepancies remain unexplained, the depositor should refer the situation to their manager.

   c) The depositor should print their name, then sign and date where indicated on the Daily Cashier Summary Report once all discrepancies have been resolved or documented.

3.6.7. The depositor should photocopy the pink copy of the bank deposit slip – once for each included cashier session. These copies should be placed with the Daily Cashier Summary Report for reference.

3.6.8. If requested by the senior treasury analyst, the depositor should scan or photocopy the Daily Cashier Summary Report and Banner report (known as the TGRCSHR report) for each deposit, the photocopied cheques, and the bank deposit slip. This package should be sent to the senior treasury analyst in Finance.

3.6.9. The depositor should complete a waybill, which has three copies (press firmly when completing).

   a) Date:

   b) Customer name: Location details (e.g. ‘Durham College Whitby, Records and Registration’)

   c) Address: Location address (e.g. 1610 Champlain Avenue, Whitby)

   d) Depositor’s name and signature

   e) Receiver: BMO (Main)

   f) Said to contain: List total deposit amount from each bag.

   g) Bag or seal No: List serial numbers from deposit bags.
3.6.10. On pickup date, indicate on each bag, in the “Bag x of …” section, the total number of bags for pickup.

3.6.11. The externally contracted secure cash transportation provider will sign the waybill and take the white and yellow copies, along with the deposit bags. The pink copy of the waybill is for the department’s records.

3.7. **Reconciliation of bank deposits with Banner entries**

3.7.1. A copy of the deposit (with Daily Cashier Summary Report and TGRSCHR reports, pink copy of deposit slip, and copies of deposited cheques) is received from each location by senior treasury analyst in Finance.

3.7.2. Deposit is checked and agreed with the actual bank deposit through BMO DirectLine and with the Banner TGRSCHR report.

3.7.3. The ‘Bank Deposit Verified By’ section of the Daily Cashier Summary Report is signed and dated by the senior treasury analyst.

3.7.4. The senior treasury analyst completes a journal entry to transfer the deposit amount from the Cash Clearing Account to the General Ledger Bank Account.

4. **Roles and responsibilities**

4.1. It is the responsibility of the chief administrative officer to ensure this procedure is fully implemented.

4.2. The Finance department is responsible for the administration of this procedure and ensuring the accounting records are accurate and complete.

4.3. It is the responsibility of all other cash location centres to ensure that all payment transactions are recorded as per the procedures noted above.

4.4. The manager of a cash collection point should immediately disclose details of any misappropriation, theft, or loss of cash to Finance.

4.5. Employees with cash transaction duties are expected to understand and follow this policy and related procedure, report any known or suspected discrepancies, and ensure others in their department are aware of expectations, where required.

4.6. All questions regarding these procedures should be directed to the senior treasury analyst.
5. **Accessibility for Ontarians with Disabilities Act (AODA) Considerations**

Durham College’s commitment to accessibility and AODA standards has been considered in the development of this policy and related procedure and adheres to the principles outlined in the AODA standards and Durham College Accessibility Policy (ADMIN-203).

6. **Related policies, procedures and directives**

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