



FINANCE DEPARTMENT – Cash Handling Internal Controls Checklist Appendix A

The following checklist(s) should be used by managers to self-assess the control environment that exists in the Department with respect to handling cash for recurring transactions.

Cash Handling Internal Controls Checklist		Internal Control Exists?			Comments
Recurring Cash Transactions		Yes	No	N/A	
FLOATS/CHANGE FUNDS (for Point of Sale Systems)					
1.	Management has determined an acceptable float balance to maintain. The float amount should be kept to a minimum, i.e. \$300. The amount may vary from this suggested amount depending on the volume of sales in each area. See Appendix D for a suggested composition.				If other than suggested amount, how much? \$
2.	Each cashier starts his or her shift by counting the cash in the float to ensure the amount is correct. Discrepancies are brought to the attention of their manager and dealt with promptly.				
3.	Each cashier keeps track of, by way of log, any additions to the float during the shift.				
4.	Managers retrieve extra change for the cashier when needed.				
5.	The float is re-balanced at the end of each shift by taking out the daily sales and leaving enough cash to maintain the original float balance.				
6.	Maximum amount of cash each cash register should have is determined and the excess is removed to the safe during a shift, i.e. during busy/peak periods.				What is maximum amount? \$
7.	Each cashier is given his or her own float for the shift.				
8.	Cashiers do not share floats.				
9.	A spare float is available for shift breaks. The spare float is stored in a locked safe when not in use.				
10.	Payments are not made from sales. Sales are kept separate from petty cash used for payments.				
11.	Periodic spot checks on cash floats are performed during a shift.				



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SAFEGUARDING OF ASSETS					
12.	Access to cash is limited to as few as people as possible, i.e. one Custodian with access to each petty cash fund.				
13.	Department has a fire-proof safe/vault to keep all cash sales and/or bank deposits secure prior to deposit				
14.	Fire-proof safe/vault is stored in a low traffic area, out of sight from the public.				
15.	The number of people with access to combinations and passwords is limited.				How many?
16.	A log is kept of everyone issued a key or given knowledge of a combination for a safe or room where cash is stored and handled.				How many?
17.	Combinations are changed periodically; at least annually or when someone leaves the department.				
BANK DEPOSITS					
18.	Bank deposit is prepared daily. If not daily, then the frequency is approved by Finance.				Frequency (if not daily)?
19.	A second person verifies the bank deposits and signs the bank deposit slip as a reviewer/approver.				
20.	Daily bank deposits are not prepared for amounts less than \$100.00. However, all cash receipts are deposited by the last business day of each month regardless of dollar amount.				
TRANSFERRING CASH					
21.	Coin, cash, cheques and first two copies of the Bank Deposit Currency Distribution Form are sealed in a CIBC security bag.				
22.	The CIBC security bag number, total deposit amount and date of deposit is recorded in a log.				
23.	The sealed bank deposit is delivered to the nearest Brinks drop-off location during the day. (Considered to be safer than at night)				
24.	Two persons deliver the bank deposit.				

25.	The bank deposit is recorded in a Brinks log book at the drop-off location.				
26.	For departments delivering funds to Student Accounts for deposit:				
	• Amounts are kept to a minimum				
	• How much is sent to Student Accounts? How often?				
	• How is it delivered? By whom? When?				
RECONCILIATION OF SALES					
27.	The cash register tape is reconciled to the cash after every shift. Total sales net of refunds = sum of credit card + debit + WatCard + cheques + cash.				
28.	Cash over/short amounts are investigated. Amounts are tracked and reviewed by management (i.e. in a daily log).				
29.	Large amounts suspected of theft are reported to Police Services if necessary.				
OTHER RECONCILIATIONS					
30.	Changes in inventory are reconciled to sales and discrepancies are accounted for.				
31.	Comparison is performed of actual to budgeted sales and variances are explained.				
SEGREGATION OF DUTIES, (i.e. different people perform each of the functions)					
32.	When delegating cash handling procedures, make sure to segregate the following duties:				
	Function: receive cash, disburse cash for floats, record cash transactions, prepare bank deposit, make the bank deposit,	Person Responsible:			



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	reconcile cash receipts to sales register tapes, reconcile bank deposits to general ledger and bank accounts, monitor accounts (discounts, returns, and cash over/short), and investigate discrepancies (in analysis, reconciliations, etc.)				
33.	Cash handling duties are rotated on a periodic basis.				
34.	Back-up exists to cover absences due to illnesses and vacations.				
CASH REGISTERS, POS TERMINALS					
35.	Cash register sales tapes cannot be manipulated.				
36.	Cash registers are clustered to enhance visibility.				
37.	Cash registers should be located near the exit of the store.				
38.	ID is required to access cash registers and computer systems so that transactions can be traced to individual employees.				
39.	Register tapes are reviewed periodically. Review includes but is not limited to unusual transactions, excessive returns or mistakes, or signs of tampering or alterations.				
40.	Security cameras are at all point of sale locations.				
41.	Cash registers have automated change making devices.				
42.	If there are multiple cash registers and only one float, the 2 nd register is designated as a “no-cash” register that accepts cheques/credit cards/debit/WatCard only. (ie. during times of high transaction volume)				

SALES & DISCOUNTS					
43.	Discount on sales are restricted, i.e. by limiting staff authorized to issue discounts or controlled by sales system.				
44.	Manual discounts on sales are authorized by a second person.				
REFUNDS/RETURNS & VOID TRANSACTIONS					
45.	Department displays refund and return policy in easy to view location.				
46.	A second person is required to authorize a refund/return or void transaction. A review of the daily log of refunds/returns and void transactions is performed by a supervisory individual other than the individual processing such transactions.				
POLICIES					
47.	Department has documented cash handling procedures specific to their processes.				
48.	Management reviews Department's cash handling procedures at least annually and makes necessary adjustments to help improve controls.				
49.	Management communicates any changes to the cash handling procedures to all staff in a timely manner.				
50.	Management provides staff additional training as needed, i.e. in-house training, job shadow, monitor and supervise changes.				
51.	Steps 47 to 50 are repeated at least annually on a cycle; (develop, review, revise and re-communicate).				
52.	Department has a process for handling customer complaints, i.e. suggestion box located at all POS locations.				
53.	Management reviews all customer complaints and adequately documents the resolution.				
54.	All new cash revenue generating activities are approved by the department Chair/Head.				



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55.	When new cash generating activities are contemplated by the department, the department FFO and/or Finance is consulted to ensure proper processes and supports are in place. (ie. E-commerce, HST applicability, insurance, etc.) See Appendix E for criteria to consider when determining if a new activity is considered University business.				
REPORTING					
56.	What is the amount of your department's external (3 rd party) revenue?				
57.	What are the payment methods accepted by your department?				
58.	Are there any opportunities to use e-commerce, credit card, or WatCard to reduce the amount of currency accepted by the University from your department activities?				