



FINANCE DEPARTMENT – Cash Handling Internal Controls Checklist Appendix B

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.

Cash Handling Internal Controls Checklist		Internal Control Exists?			Comments
Non-Recurring Cash Transactions		Yes	No	N/A	
SAFEGUARDING OF ASSETS					
1.	Access to cash is limited to as few as people as possible, i.e. one Custodian with access to each petty cash fund.				
2.	Department has a secure area to keep all cash sales and/or bank deposits secure prior to deposit				
3.	Secure area is in a low traffic area, out of sight from the public.				
4.	The number of people with access or keys to the secure area is limited.				How many?
5.	A log is kept of everyone issued a key or given knowledge of the secure area where cash is stored and handled.				How many?
6.	Access to keys is controlled – keys cannot be duplicated and all copies are accounted for at all times (i.e. ensure returned when someone leaves the department).				
BANK DEPOSITS					
7.	Bank deposit is prepared daily. If not daily, then the frequency is approved by Finance.				Frequency (if not daily)?
8.	A second person verifies the bank deposits and signs the bank deposit slip as a reviewer/approver.				
9.	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					
10.	Coin, cash, cheques and first two copies of the Bank Deposit Currency Distribution Form are sealed in a CIBC security bag.				

11.	The CIBC security bag number, total deposit amount and date of deposit is recorded in a log.				
12.	The sealed bank deposit is delivered to the nearest Brinks drop-off location during the day. (Considered to be safer than at night)				
13.	Two persons deliver the bank deposit.				
14.	The bank deposit is recorded in a Brinks log book at the drop-off location.				
15.	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					
16.	Cash is reconciled to some record of sales when deposited or on a periodic basis by an individual independent of the cash collection process.				
17.	Cash over/short amounts are investigated. Amounts are tracked and reviewed by management (i.e. in a daily log).				
18.	Large amounts suspected of theft are reported to Police Services if necessary.				
SEGREGATION OF DUTIES, (i.e. different people perform each of the functions)					
19.	When delegating cash handling procedures, make sure to segregate the following duties where possible (if not possible, ensure compensating controls are considered and implemented):				
	Function: receive cash, disburse cash for floats, record cash transactions, prepare bank deposit,				

	<p>make the bank deposit,</p> <p>reconcile cash receipts to sales register tapes,</p> <p>reconcile bank deposits to general ledger and bank accounts,</p> <p>monitor accounts (discounts, returns, and cash over/short), and</p> <p>investigate discrepancies (in analysis, reconciliations, etc.)</p>				
20.	Cash handling duties are rotated on a periodic basis.				
21.	Back-up exists to cover absences due to illnesses and vacations.				
SALES & DISCOUNTS					
22.	Manual discounts on sales are authorized by a second person.				
REFUNDS/RETURNS & VOID TRANSACTIONS					
23.	A second person is required to authorize a refund/return or void transaction. A review of the refunds/returns and void transactions is performed by a supervisory individual other than the individual processing such transactions.				
POLICIES					
24.	Department has documented cash handling procedures specific to their processes.				
25.	Management reviews Department's cash handling procedures at least annually and makes necessary adjustments to help improve controls.				



FINANCE DEPARTMENT – Cash Handling Internal Controls Checklist Appendix B

26.	Management communicates any changes to the cash handling procedures to all staff in a timely manner.				
27.	Management provides staff additional training as needed, i.e. in-house training, job shadow, monitor and supervise changes.				
28.	Steps 24 to 27 are repeated at least annually on a cycle; (develop, review, revise and re-communicate).				
29.	Department has a process for handling customer complaints.				
30.	Management reviews all customer complaints and adequately documents the resolution.				
31.	All new cash revenue generating activities are approved by the department Chair/Head.				
32.	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					
33.	What is the amount of your department's external (3 rd party) revenue?				
34.	What are the payment methods accepted by your department?				
35.	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?				