



**SECTION: FINANCE**

**AREA: TREASURER'S OFFICE**

**SUBJECT: CASH HANDLING PROCEDURES**

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**PURPOSE**

The purpose of this policy is to establish guidelines and procedures for appropriate handling of cash at all UAMS cash collection points.

**SCOPE**

All clinics, point-of-service locations, and departments accepting cash payments and receipts.

**POLICY**

Two major rules govern cash handling and cash receipts procedures:

Rule 1 - All cash receipts must be protected, recorded promptly and properly, and deposited daily, intact, without delay.

Rule 2 - The functions of cash-handling and record-keeping must not be performed by the same person.

Comprehensive explanations of these two rules are detailed in the procedures below.

**PROCEDURES**

**Rule 1 - All cash receipts must be (1) protected, (2) recorded promptly and properly, and (3) deposited daily, (4) intact, (5) without delay.**

1. Receipts must be protected
  - a. During the hours that money is received, the change fund and receipts should be kept in a locked cash drawer or cash box to which access and keys are carefully controlled, or in the cash register drawer. Any portion of a change fund that is not required for the cash drawer must be kept in a locked safe or cabinet.
  - b. The responsibility for receiving cash should be restricted as much as possible to the designated "cashier." If the one so designated as cashier is

present, no one else should be allowed to perform that function. Another person should be specifically assigned to fill in for the cashier when he/she is temporarily absent (on break or at lunch).

- c. If funds are transferred between individuals, some type of written acknowledgment, or receipt, should be used to signify transfer of responsibility from one person to another. For example: When the cashier receives the change fund at the beginning of his/her shift, the amount of money should be verified in writing by the cashier and a supervisor. At the end of the shift, the money should again be counted and verified in writing.
- d. Each check shall be restrictively endorsed immediately upon receipt with the "For Deposit Only - UAMS" stamp. Remitters should be instructed to make checks payable to the "University of Arkansas for Medical Sciences" or "UAMS." Cashiers may not accept post dated checks, IOU's, or third-party checks as payment on accounts.

## 2. Recorded promptly and properly

- a. Cash, check, or credit card payments received in clinics or point-of-service locations require the immediate issuance of a pre-numbered receipt containing the name of the remitter, date, amount, signature or initials of the cashier, and an indication of the form of the remittance (cash, check, or money order). Cash register receipts or computer generated cash receipts are preferred methods of cash receipts.

Pre-numbered receipts and encounter forms should be reconciled by someone other than the cashier to ensure that none are missing. A missing receipt or encounter form could indicate that a payment was received but not properly recorded.

- b. If a receipt is spoiled or written in error, it should be voided by writing "Void" across the original with the initials of the person voiding it. The voided original should be stapled to all copies of the duplicate. A complete explanation of the reason for voiding the receipt must be written on or attached to the receipt.
- c. Written and approved departmental cash and/or cash handling procedures should be on file in your office. These procedures must be followed without exception.
- d. Remittances may also be received through the mail. If at all possible, the mail should be opened by someone other than the person who handles over-the-counter receipts. A list of mail remittances should be prepared

and filed for comparison with the deposit. A copy of this list should accompany the remittances given to the one who prepares the deposit.

- e. Signs should be posted near the cashier station reminding customers to ask for a receipt. This will help ensure that all payments are properly received.

### 3. Deposited daily

- a. Deposit all cash, checks, and credit card receipts with the appropriate cashier (Faculty Group Practice (FGP) or Patient Billing Services (PBS)) or in the Treasurer's Office on the day received unless approved safekeeping facilities are used for overnight storage of funds. If cash, checks, or credit card receipts were stored overnight, they should be deposited with the appropriate cashier or in the Treasurer's Office not later than the next business day. Approval must be obtained from the Treasurer's Office if a department will require additional time to make its daily deposit. The Treasurer's Office has safekeeping facilities if your office has none.
- b. Deposit receipts using the "Record of Deposits" form, or the DTA (Deposit Transmittal Advice for grants funds). You should list all checks in each deposit or keep records (duplicate receipts, for instance) that will allow you to determine the name and address of each remitter whose check you deposit.
- c. The cashier for the Treasurer's Office will issue an SAP receipt to the department or the individual depositing funds or paying an account.

### 4. Intact

- a. All cash, checks, and money orders received in a day are to be deposited together. No cash, check, or money order may be removed for any reason.

No purchase may be made using cash receipts or change funds.

Checks may NOT be cashed from cash receipts or change fund.

- b. The total amount of money received from remitters in one day (both over-the-counter and in the mail) should equal the deposit for that day. If there is an apparent shortage or overage in the deposit (if the total deposit is not equal to the total of the receipts for the day) observe the following procedures:

Re-check everything to verify the facts. The supervisor should be made aware of the differences and should confirm it. Differences will then be handled as follows:

- (i) If the deposit is over the total of the receipts, the overage is to be credited to general ledger account 440550 "Cash Over/Short.". A separate deposit may be prepared for the overage if desired.
- (ii) A shortage to the change fund can be replaced by the Treasurer's Office by detailing the shortage and circumstances with approval of the Department Head or Business Manager. The shortage will be charged to a UAMS departmental account number using general ledger account 440550 "Cash Over/Short." The revenue accounts will be credited with the total amount of receipts as indicated by the cash register totals or cash receipts book.
- (iii) To minimize such differences, the cashier should suggest to the remitter to whom change is given that he/she verify immediately that the change is in the proper amount.

If a major difference (\$100 or more) is discovered, contact the Treasurer's Office and UAMS Police immediately. The UAMS Treasurer's Office has authority over the handling of all change funds and cash receipts of this campus, and must be included among those notified in any event of loss or discrepancy. Any theft, robbery, burglary, fire or other incident involving UAMS funds is cause for an immediate accounting and verification. The supervisor, Business Officer, Department Head, and Treasurer should be notified as soon as possible.

5. Without delay

- a. Do not send any money or funds of any kind through the interdepartmental mail system. Hand carry deposits to the FGP or PBS cashier, Outpatient Safe Room, or to the Treasurer's Office, as appropriate. The FGP courier will pick up deposits when requested.
- b. Any payments which have been received that cannot be identified should be immediately delivered to the Treasurer's Office. The Treasurer's Office will research the check and deliver to the Faculty Group Practice or Patient Business Service areas if appropriate.

THE RESPONSIBILITY FOR HANDLING CASH MUST NOT BE TAKEN LIGHTLY. EVERY PRECAUTION SHOULD BE TAKEN TO PREVENT AN UNAUTHORIZED PERSON FROM GAINING ACCESS TO CASH. AT THE SAME TIME, THE EMPLOYEE RESPONSIBLE FOR THE CASH IS

PROTECTED AGAINST SHORTAGES DUE TO ANOTHER PERSON'S ACTIONS WHEN PROPER PROCEDURES ARE FOLLOWED.

**Rule 2 - The functions of cash-handling and record-keeping must not be performed by the same person.**

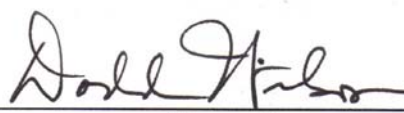
The deposit should be prepared by someone other than the person who receives over-the-counter cash and must never be prepared by the one who posts accounts receivable. If there are only two people in an office, the one who does not handle the cash will need to open the mail and verify the deposit. Supervisors should be responsible for verifying the agreement of the following amounts:

1. the total amount of remittances received each day (as indicated by the total of the amounts on the receipts and the total of the list of remittances received in the mail);
2. the total amount of remittances credited to accounts receivable;
3. the amount of the daily deposit; and
4. the amount of the SAP receipt from the Treasurer's Office.

In addition to the verifications described, supervisors should occasionally perform an unannounced cash fund audit to verify the approved amount.

Adjustments, patient discounts, or allowances made to accounts receivable should be fully explained by the person requesting the adjustment and approved by the supervisor. Cashiers should not be able to input discounts or allowances. Departments should develop a written procedure for handling zero payments on encounter forms, such as the use of a stamp that states a zero payment with the patient's signature. A written procedure is also needed for tracking cancellations and no-shows to help reconcile appointment schedules with receipts.

IF, FOR ANY REASON, COMPLIANCE WITH ANY OF THE ABOVE CONDITIONS CANNOT BE ACHIEVED, APPROVAL OF ANY OTHER PROCEDURES MUST BE GRANTED BY THE CHIEF FISCAL OFFICER OF THE CAMPUS OR HIS/HER DESIGNEE.

SIGNATURE:   
Chancellor

DATE: September 16, 2008