

TITLE: CASH COLLECTION AND DEPOSITS**POLICY STATEMENT:**

Red Deer College ensures that appropriate internal controls and documented procedures are established to prevent financial loss, promote security and safety of its employees, and accurate transaction recording and financial reporting.

PURPOSE:

The purpose of this Policy is to ensure effective stewardship of all funds collected for the College by outlining responsibilities and requirements related to the safeguarding of cash, segregation of duties involving cash handling and the processing and deposit of cash. It is intended to protect the College as well as employees and officers of the College that are in a position to handle cash in performance of their duties at the College.

SCOPE:

This Policy and associated procedures apply to all:

- employees and officers of the College,
- funds administered by the College, and
- individuals and organizations that expressly or implicitly represent the College.

This Policy does not apply to the funds administered by Students' Association of Red Deer College under their policies.

PRINCIPLES:

Red Deer College conducts its financial operations in compliance with applicable legislation and College policies and procedures, following Generally Accepted Accounting Principles, with due consideration for the safety and security of the College employees as well as College assets.

DEFINITIONS:

Cash Equivalents: are forms of payments received by or on behalf of the College, including cheques, money orders, bank drafts, debit cards, credit cards and any electronic monetary transaction.

Cash Handling Unit: is a College department that is authorized by RDC Financial Services to handle cash on a regular basis.

Electronic Funds Transfer (EFT): is an electronic exchange or transfer of money from one bank account to another through computer-based systems.

Non-point of Sale/Service Payment: is a financial transaction conducted away from the place where products and services are delivered.

Significant Cash Shortages: are those balances of cash on hand that differ from the total of recorded transactions by the lower of \$50 and 10% of that total.

GUIDELINES:

1. Responsibilities

Only departments authorized through Financial Services may handle cash or undertake activities that include handling cash. Those that handle College cash are responsible to receive and process it according to this Policy and its related procedures.

Red Deer College reserves the right to take into custody and manage all funds collected by an entity that references Red Deer College in its name, or the activity is a part of the curriculum or where RDC employees are placed in a position of trust.

Red Deer College may enter into agreements with other legal entities giving them exclusive contractual rights to accept cash on behalf of the College.

1.1. Financial Services

- 1.1.1. Financial Services department is responsible for creation and implementation of the Policy and procedures related to cash handling.
- 1.1.2. Financial Services Fees Office is a primary cash handling unit for the College.
- 1.1.3. Activities that involve cash handling outside of the Fees Office are reviewed and individually approved by the Director of Finance. Appropriate procedure is determined at the time of review.
- 1.1.4. Financial Services promotes the Policy and procedures and conducts training with cash handling units.
- 1.1.5. Financial Services establishes appropriate internal controls and documents cash handling procedures to ensure the good stewardship of cash assets and minimize the risk of loss.

1.2. Cash Handling Units

- 1.2.1. Each authorized unit ensures that:
 - This Policy and associated procedures are followed,
 - Individuals that handle cash are properly trained in cash handling procedures, and
 - Level of security is maintained, appropriate for the amounts of currency on hand.
- 1.2.2. All cash handling units are subject to an internal audit.

2. Minimum Procedural Requirements

Where business processes require collection of payments, cash equivalents are preferred over cash due to the high-risk nature of this asset.

Where payments are accepted, unless more restrictive controls are documented in individual cash handling units, the appropriate internal controls include the segregation of duties, safekeeping of cash, prompt deposit of cash and cash equivalents, and accurate recording of revenue into the College financial systems.

3. Interpretation and Compliance

- 3.1. Obtain interpretation and consult with Financial Services prior to any endeavor that involves collection of funds in any form and for any purpose that is or may be perceived as a RDC business or academic activity.

- 3.2. Failure to comply with the Policy and its related procedures may result in disciplinary action, including dismissal.

PROCEDURE:

1. Segregations of Duties

- 1.1. Duties of collecting cash, maintaining documentation, preparing deposits and reconciling records are distributed between two or more positions and employees in those positions.
- 1.2. In the cash handling units where the segregation of duties is not feasible, alternative and compensating controls, as approved by Financial Services, are implemented to achieve the equivalent level of control.

2. Securing Cash

- 2.1. Cash handling units are responsible for the safekeeping of cash and cash equivalents. Physical security includes restricted access to cash and maintenance of secure locations appropriate for the amount of cash kept on hand.
- 2.2. Safe combinations and passwords are at a minimum changed annually and with any turnover of related personnel.
- 2.3. Cash is counted in a non-public, secure area that is not easily visible to others.
- 2.4. Cash and cash equivalents are transported under escort.
- 2.5. Armored transportation is arranged for off-campus transfers.
- 2.6. Cash handling units take measures to maintain the security of corporate and private banking information in accordance with the FOIP Act and the Payment Card Industry (PCI) Standards.

3. Cash Collection, Deposits, Receipting and Reconciliation

- 3.1. All funds collected for the College from any source are delivered to the Financial Services unit on a daily basis. Where daily deposits are not practical, collections for cumulative deposits of less than \$100 may be deposited on a weekly basis.
- 3.2. Authentic Red Deer College receipts are issued for all cash transactions.
- 3.3. A receipt of all cash is recorded through a cash register where one is available. If no cash register is available and the system or cash register receipt is not produced, a pre-numbered receipt is issued and a duplicate retained by the cash handling unit.
- 3.4. Copies of receipts and refunds are included in daily deposits.
- 3.5. All cash refunds are issued by the Financial Services Fees Office and require a refund receipt signed by the receiver of funds.
- 3.6. All void transactions are documented by a cash handling unit at the time of the transaction and signed off by two authorized positions from that unit.
- 3.7. All cash overages/shortages are documented by a cash handling unit and signed off by two authorized positions from that unit. Significant cash shortages are reported immediately to Financial Services. Losses not covered by the College's insurance policy are absorbed within that cash handling unit's operating budget.

- 3.8. Individuals handling cash are responsible for closing and balancing their cashiering session.
- 3.9. Funds received through the mail by a department that is not authorized to handle cash are directed immediately to the Financial Services department.
- 3.10. No part of any monies collected on behalf of the College may be:
 - 3.10.1. Deposited into employees' or students' personal accounts for later disbursements, or
 - 3.10.2. Used for issuing loans or advances, or for paying bills or expenses of any kind.
- 3.11. A deposit form is completed for all deposits and delivered to Financial Services with the deposit. The deposit form (in multiples) can be obtained from Accounts Receivable.
- 3.12. Cheques, money orders and bank drafts must be made payable to Red Deer College.
- 3.13. Deposits cannot include cheques issued by the College.
- 3.14. A cheque payable to the College in a foreign currency is deposited into College bank account at a converted value.
- 3.15. Donations and gifts are forwarded to the Financial Services Fees Office for processing. Financial Services is responsible for issuing tax receipts to donors.

4. Electronic Fund Transfers to RDC

- 4.1. In order to minimize cash handling, electronic funds transfers are used whenever possible for all non-point of sales and non-point-of-service payments to the College.
- 4.2. Any on-line payment service is approved and set up by the Financial Services Fees Office.
- 4.3. An international bank wire is a preferred method of payment for transfers originating outside of Canada.
- 4.4. RDC bank information can be obtained from Financial Services.

OFFICER RESPONSIBLE: Vice President, College Services

RECOMMENDING AUTHORITY: Service Council

CONSULTATION FOR REVIEW: Service Council

POLICY REVIEW DATE: September 2019

EFFECTIVE DATE: July 1, 2015

REVISION HISTORY: September 1, 2002 Cash Collection and Deposits Standard Practice
July 1, 2015 (Standard Practice incorporated into this policy)

RELATED POLICIES:

CONNECTION TO BOARD POLICIES:

All RDC policies support relevant Board of Governors policies.

Appendix A – Examples of the Policy Application to Student and Employee Activities

Examples of the Policy Application to Student and Employee Activities	
Situation	The College Policy Applies
A class collects money and enlists the instructor to participate in the project in a role that involves some treasury functions.	Yes
A class project , per the curriculum, involves collection of funds. Students manage the funds. A faculty member may provide guidance and mentorship.	Yes
A class sells byproducts of instruction at the College (such as soup sale, carpentry sale etc.).	Yes
A third party provides funds to facilitate a class project.	Yes
A student group engages a faculty or staff member to participate in the group project (e.g. bake sale, grad party etc.).	Refer to Students' Association Policy for guidance on faculty/staff involvement in student group activities.
Students collect funds to make personal contributions to a charitable organization or cause. No instructor or college employee is involved in the project or collection and distribution of funds.	No. Refer to Students' Association Policy.
A student group runs an activity that involves cash handling. No faculty or staff participates, other than in a possible advisory role.	No. Refer to Students' Association Policy.
Students collect money for non-class related project and enlist the instructor/staff member to participate in the project.	Yes.
Students pool money to purchase products for their own consumption or benefit (e.g. group lunch, apparel etc.).	No*
Student employees belong to and have a treasury role in their student group.	No. Refer to Students' Association Policy.
Employees of the College pool personal funds to contribute to a charitable organization or cause.	No*
Department employees pool funds to purchase products for their own consumption or benefit (water, coffee, lottery tickets etc.).	No*

*Provided that there is no reference to Red Deer College or RDC program or department in the name of the group, event or project. E.g. "Employees of RDC invite you...", "Business students of RDC organize...", "Financial Services collects funds...", "Join Performing Arts students in...", "RDC Fall Marathon" or similar references necessitate the application of the College Policies.