Administrative Practice Letters

The following are highlighted sections of Administrative Practice Letters

• Cash Management Training – Section I-D
• Petty Cash – Section I-E
• Cash Collections Procedures – Section I-F

The APLs can be found at http://www.maine.edu/about-the-system/system-office/finances/administrative-practice-letters/
Cash Management Training

- Individuals assigned responsibility for cash must receive cash training prior to beginning their assignment and at least once each year.

- Training requirements include a review of:
  - APL I-E - PETTY CASH
  - APL I-F - CASH COLLECTION PROCEDURES
Deposit of Cash Receipts

• All cash receipts (including cash and checks) should be deposited daily. This may mean that funds are held overnight and deposited the following business day. Such funds must be kept secure.

• At a minimum, cash receipts must be deposited when receipts exceed $100 or once a week, whichever comes first.

• Timely and accurate deposits reduce the risk of lost or misplaced receipts and make account reconciliation easier.
Deposit of Cash Receipts

• Cash should NEVER be sent through the mail

• MaineStreet combinations need to written on the face of each check.

• Cash, checks and bank card information needs to be kept in a secure location (fireproof safe, locked filing cabinet of cash register).
Recording of Cash Receipts

• Income statements are prepared through the financial system. Statements of income are produced on a daily basis by each campus.
• The income statement must be retained along with all documentation (including bank deposit receipts) for future reference and auditing purposes.
• Each campus is responsible for providing all documentation pertaining to the income statements.
Control of Cash Receipts

- A receipt must be issued for all cash collection.
- All cash receipts must be recorded using pre-numbered receipts, cash registers, an appropriate ticketing system, or some other way that documents the completeness of collections and allows for the proper deposit, recording, and reconciliation of funds.
- Verify the amount of cash collected equals the amount listed on receipt.
Segregation of Duties

- Adequate segregation of duties helps to prevent misappropriation of funds and aids in detecting errors.
- The responsibilities of one person should complement and check those of others.
- When segregation of duties is not practical, compensating control procedures must be established.
  - For example, a cashier's immediate supervisor could verify that the deposit receipt agrees with source documents (e.g., cash register tapes, receipts, ticket reports) and the related posting to the accounting system.
  - In addition, campus management is responsible for ensuring that each cash collection location is audited at least once a year and the results reported to the UMS Department of Internal Audit.
Responsibility and Authority for General Ledger Activity

- Staff have access to view all accounts to which they deposit funds to verify these deposits.
- Retain all original collections backup, including the Schedule of Collections and any cash register tapes.
- Retain the deposit receipt with the day’s backup.
- File all backup so that information can be retrieved as needed.
- Ensure that job descriptions include responsibilities regarding appropriate cash handling procedures.
- Indicate the reconciliation of support to the accounting system, by checking off the respective amounts traced, noting any discrepancies and the resolution, and signing the day’s support along with the date the reconciliation process was completed.