BURSAR'S OFFICE GUIDANCE TO FISCAL OFFICERS

Fiscal Officer Responsibility

Individuals who are assigned the role of fiscal officer over a Budget Purpose are responsible for all financial activity that occurs in that Budget Purpose. Fiscal officers typically cannot be involved in each financial transaction and therefore must establish procedures and delegate tasks to others within their department. Fiscal officers must ensure these procedures have safeguards that will prevent and detect if errors or theft occur. These safeguards are often called internal controls.

It is critical for fiscal officers to periodically review their procedures to make sure these important safeguards are in place. The Bursar's Office has provided this document to serve as a tool for fiscal officers to assess their internal controls or safeguards surrounding the collection and deposit of receipts.

Bursar's Office Guidance

Departments are required to follow the Cash and Payment Card Handling Guidelines published at the Bursar's Office website. In addition, fiscal officers have responsibility for ensuring their department is operating with proper safeguards including segregation of duties. For explanation of **Segregation of Duties** see Addendum 1. .

See Addendum 2 Sample Department Receipts Handling Procedures to learn how segregation of duties can be accomplished in departments with limited staffing.

A department's receipt handling should be documented and reviewed annually to ensure that proper safeguards remain in place. Fiscal officers may choose to use Addendum 3 **Department Receipts Handling Questionnaire** on pages 4 – 7 to document important aspects of their receipt handling. Once this initial questionnaire is completed, refer to Addendum 4 **Annual Review of Department Receipts Handling** form on page 8 can be used each subsequent year to assist fiscal officers with reviewing their operations for changes that impact receipts handling. If significant changes have occurred, then all or portions of the Department Receipts Handling Questionnaire should be updated.

Addendum 1
Segregation of Duties

Segregation of duties ensures that no one individual can control a transaction from beginning to end. Having multiple people involved reduces the risk that if an error occurs it won't go undetected and it helps to prevent fraud or theft. No single set of procedures for collecting and depositing receipts will fit all departments, but every department must have segregation of duties built into their processes.

There are four basic steps to receipts processing:

1. Collect the payment from the customer
2. Record the collection in the department records
3. Prepare the deposit
4. Reconcile department records to AIS

It is recommended that each step be completed by a different individual. For smaller departments this is not always feasible due to limited staffing. At a minimum steps 1, 2, and 3 may be performed by one person but step 4 (reconciliation) must be done by someone **not** directly involved in the cash receipts process.

Department records (noted in item 2 above) differ in how collections are recorded such as:

- cash register tapes
- manual collection logs
- reports from various electronic records or software programs
- accounts receivable records

Whatever their form, these departmental records show what *should have been deposited* into the appropriate budget purpose account. Reports available in AIS show what *actually was deposited* into the budget purpose account. A reconciliation of the department records to AIS (noted in item 4 above) could detect:

- mistakes (e.g. keying error by the Bursar's Office which resulted in a deposit being recorded into the wrong AIS account)
- late deposits (e.g. department records show receipts were held for more than a week)
- other errors
- theft/fraud (e.g. checks and credit cards are deposited but cash is being withheld)

An individual tempted to take department receipts for their personal benefit may be deterred just by knowing that reconciliations are routinely being performed.

It is important to keep records to document that the reconciliation was completed, including who, when, issues that were noted and how discrepancies were resolved.

Addendum 2
Sample Department Receipt Handling Procedures

Department ABC collects payment from individuals who participate in workshops or seminars. Department ABC accepts cash, checks and credit card as follows:

1. **Collect the payment from the customer, issue a receipt and record the collection in the department records– Mr. Jones, Department Receptionist**
   a. Accept cash, checks and credit card payments from customers over-the-counter and by mail. Record payment in daily control log (Excel spreadsheet) and provide customer with receipt from pre-numbered duplicate receipt book.
   b. Stamp the back of the check with an endorsement "For Deposit Only: SIUE Department ABC Budget Purpose 74XXXX".
   c. Store cash, checks and credit card slips securely.
   d. At end of day run calculator tape of checks, cash collected and credit card slips.

2. **Prepare the deposit and reconcile department records to AIS – Ms. Anderson, Staff Assistant**
   a. Verify that checks, cash collected and credit card slips equal amount recorded in daily control log.
   b. Prepare collection report and deliver to Bursar's Office.
   c. Accept receipt from Bursar's Office and compare the total on receipt with the collection report. File the Bursar's Office receipt.
   d. At end of the month calculate total receipts for the month in the daily control log.
   e. At end of the month calculate total receipts for the month from the pre-numbered duplicate receipt book.
   f. At the end of the month, obtain attendance reports from workshops and seminars; calculate total receipts that should have been paid by participants. Prepare a monthly and year-to-date summary of workshop and seminar fees based on the attendance reports.
   g. Obtain the Funds Available-Report of Transactions report from AIS for Budget Purpose 74XXXX. Compare the monthly total of receipts on the Funds Available Report to the daily control log monthly total (2d), the receipt book monthly total (2e), and the attendance reports monthly totals (2f). If amounts do not agree, check daily amounts to identify differences. Investigate differences by examining Bursar's Office receipt, credit card closing report, daily control log and receipt book. Resolve discrepancies; make notes, sign and date reconciliation.

3. **Review monthly reconciliation and compare actual to expected results – Ms. Smith, Fiscal Officer**
   a. Review and approve monthly reconciliation of daily cash log to Funds Available Report as prepared by Staff Assistant.
   b. Review the report prepared by Staff Assistant which shows the number of workshop and seminar participants based upon Attendance Reports and also calculates the expected fee receipts. Compare expected fee receipts to current month and year-to-date receipts deposited on the Funds Available Report. Explain differences. Compare actual year-to-date receipts to budget. Explain differences.

Addendum 3
Department Receipts Handling Questionnaire

Department Name:
Budget Purpose:
Fiscal Officer:
Email Address:

Questionnaire Completed by:
Date Completed:

Instructions: Receipt handling processes should be documented and reviewed annually. Fiscal officers may choose to use this **Questionnaire** to document important aspects of their receipt handling.

1. What activities in your department result in collection of receipts? How frequently does your department collect receipts (daily, weekly, quarterly, or annually)?

2. For the most recent FY, what dollar amount of receipts was collected (designate year and approximate amount)?

3. Who collects the receipts (list names)?

4. In what form are the payments received? (mark with an "X")

	In Person		**By Mail**		**Online**
	Cash		Check		e-Check (or ACH)
	Check				Debit/Credit Card
	Debit/Credit Card				Wire transfer

5. Do you issue receipts for payments?
   - Yes
   - No

   If yes, how is the receipt prepared?
   - Manually
   - By machine

   For which transactions are receipts issued (check all that apply)?
   - Payments received in person
   - Payments received by mail
   - Payments received online

- Check payments
- Cash payments
- Debit/Credit Card payments
- Other (please specify):

What information is contained on the receipt (please specify):

6. If cash collections are received, are there instances when your department has the need to make change? If yes, are you aware that Department Change Funds <u>must</u> be issued by the Bursar's Office?

7. Who opens the incoming mail?

8. Does your department have a control log for checks received by mail?

9. What information is kept on the control log?
    - Date Payment was Collected
    - Payer Name
    - Amount
    - Check Number
    - Other – please specify

10. Upon receipt of a check is it endorsed on the back? If yes, how is it endorsed?

11. Who prepares the deposit and collection report?

12. How frequently are deposits made with the Bursar's Office?

13. Does your department ever refund customers for previous payments?
    - Yes
    - No

    If yes, is the customer required to provide the initial sales receipt?
    - Yes
    - No
    - Other – please specify

    Is the customer required to sign for the refund?
    - Yes
    - No

    Is supervisor approval required on refunds to customers?
    - Yes
    - No

14. Who reconciles department collection records to the AIS Report of Transactions? How frequently is the reconciliation completed?

15. If the Bursar's Office cashier made a keying error and your deposit was given to the wrong department, how would it be detected? When would it be detected?

16. If a staff member accepts a payment from a customer and does not record it at all, how would it be detected? When would it be detected?

17. If a staff member voids a transaction and keeps the money, how would it be detected? When would it be detected?

18. If a staff member processes a customer refund on the department records but actually steals the funds, how would it be detected? When would it be detected?

19. If an error or fraud were to occur in your department, does your department retain sufficient records to enable a thorough investigation? How long does your department keep receipt records?

20. What is the average dollar amount of transactions each day, week, or month (please specify)?

21. Where are funds physically stored during the day?

22. Where are funds physically stored overnight?

23. How long are funds maintained before depositing with the Bursar's Office?

24. Have you read the *Cash and Payment Card Handling Guidelines* available at the Bursar's Office website www.siue.edu/bursar?

25. If your department accepts debit/credit card payments, does everyone who handles debit/credit cards complete annual Payment Card Industry-Data Security Standard training?

Addendum 4
Annual Review of Department Receipts Handling

Department Name:
Budget Purpose:
Fiscal Officer:
Email Address:

Annual Review Completed by:
Date Completed:

Instructions: After completing the *Department Receipts Handling Questionnaire*, fiscal officers may use this **Annual Review** form to document changes in the department operations that impact receipts handling. If significant changes have occurred, then all or portions of the *Department Receipts Handling Questionnaire* should be updated.

1. When was the most recent *Department Receipts Handling Questionnaire* completed for your department? What were your annual receipts then and now?

2. What turnover has occurred in the department since completing the Department Receipts Handling Questionnaire? (list names) Has their access to systems, lockbox, doors, etc. been removed?

3. Were any of these individuals responsible for collecting receipts, preparing deposits or reconciling records to AIS? If yes, who is now performing these duties?

4. Have new staff members been adequately trained on their responsibilities for processing or reconciling receipts?

5. Have any changes in technology occurred that may have changed the way department receipts are processed? If yes, have you determined that safeguards are in place to ensure errors or fraud would be detected in a timely manner?

6. Have any other changes in department operations occurred that may have changed the way department receipts are processed? If yes, have you updated your written department procedures?

7. Are there improvements to safeguards or internal controls that you either have made since your most recent completion of the *Department Receipts Handling Questionnaire* or intend to make? Please describe.