



Policy No. 5.003
Northwest Louisiana Technical College

Cash Handling

Original Adoption: February 10, 2008
Effective Date: February 10, 2008
Last Revision: April 6, 2018

All Regions, campuses and departments of Northwest Louisiana Technical College (NWLTC) collecting cash must address cash receipt controls by developing, implementing and enforcing procedures and strong internal controls necessary to prevent mishandling of funds and to safeguard against loss.

Strong internal controls also protect employees from inappropriate charges of mishandling funds by defining responsibilities in the cash handling process.

All campuses that handle cash must have both an awareness of and show a commitment to strong internal controls for cash receipts. Directors and Campus Deans are responsible for establishing and maintaining the proper environment of internal controls. This environment is established by written procedures. It is maintained by **awareness** through regular communications between management and staff and through management's **commitment** by example and review.

*Policy Reference: LTC Policy #FS1930.309 Cash Handling Policy
Louisiana Constitution Article VII, Section 9 (A)
LSA-R.S. 24:523 – Notification of the legislative auditor and district attorney
LCTCS Board Policy #5.013 Cash Management and Investments
LCTCS Board Policy #5.019 Misappropriation of Assets – Notification Policy*

Approved:

Earl Meador
Director



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Cash Handling Procedures

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BACKGROUND

All Regions and campuses of the Northwest Louisiana Technical College that handle cash must have both an awareness of and show a commitment to strong internal controls for cash receipts. Directors and Campus Deans are responsible for establishing and maintaining the proper environment of internal controls. This environment is established by written procedures. It is maintained by **awareness** through regular communications between management and staff and through management's **commitment** by example and review.

Internal controls are necessary to prevent mishandling of funds and to safeguard against loss. Strong internal controls also protect employees from inappropriate charges of mishandling funds by defining responsibilities in the cash handling process.

"Cash" includes coin, currency, checks, money orders, and credit card transactions.

All campuses and departments collecting cash must address the cash receipt controls by developing, implementing and enforcing procedures in support of these controls.

STATUTORY REFERENCE

Deposits

The Louisiana Constitution Article VII, Section 9 (A) requires "All monies received by the State or by any state board, agency, or commission shall be deposited immediately upon receipt...except for certain exceptions listed therein."

NOTE: *Immediately is defined as **within 24 hours** of receipt.*

Misappropriation Notification Requirement

LSA-R.S. 24:523- Notification of the legislative auditor and district attorney. *“An agency head of an auditee who has actual knowledge of any misappropriation of the public funds or assets of his agency shall immediately notify, in writing, the legislative auditor and the district attorney of the parish in which the agency is domiciled of such misappropriation. The district attorney, or other prosecutorial agency, notified of such misappropriation may request audit assistance from the legislative auditor with respect to the misappropriation.”* LCTCS board policy # 5.019 requires that the LCTCS director of internal audit be notified as soon as possible concerning possible misappropriation of state funds and/or resources. The LCTCS director of internal audit shall fulfill the requirements of R.S. 24:523 by notifying the Legislative Auditor and the appropriate District Attorney.

LCTCS Board Policy

This policy is also governed by LCTCS Board Policy # 5.013 titled “Cash Management and Investment” and LCTCS Board Policy # 5.019 titled “Misappropriation of Assets – Notification Policy.”

GENERAL POLICY & PROCEDURE

Collecting and Receiving Checks or Cash

Cash - Any cash received should be evidenced by the issuance of a sequentially numbered, handwritten receipt or machine-produced receipt. One copy of the receipt is to be given to the payee and one copy is to be retained by the agency.

If a receipt must be voided, then all copies of the receipt should be kept with the deposit with VOID written on the affected receipts. Receipts should not be thrown away as all receipts must be accounted for.

Checks –

All checks received should be made out to Louisiana Technical College (NWLTC). If the payee space on the check is left blank, Northwest Louisiana Technical College should be entered immediately. Checks made payable to cash should not be accepted.

All checks to be deposited by NWLTC are to be endorsed with a restrictive endorsement and entered into the agency check log immediately upon receipt. The endorsement should be as follows:

For Deposit Only
Northwest Louisiana Technical College
Account Number

At all times, funds should be placed in a locked bank bag (or locked metal container) and the bag should be secured in a safe or locked cabinet or locked desk; and

Access to the funds should be limited to the fund custodian.

A check receipt log is to be maintained at all mail entry points where checks are received.

The check receipt log should be transmitted to the accounting office by 3:30 p.m. each day a check is received. Any checks received after 3:30 p.m. should be transmitted to the accounting office before 3:30 p.m. the following workday. The log should be signed by the person transmitting the checks and countersigned by the person receiving the checks for deposit.

Making Deposits

To maintain proper security and good internal control procedures, the responsibility for preparing and making the deposit should be assigned to an employee other than the one assigned the responsibility for opening the mail, maintaining the check log, making the deposit, writing checks, and preparing the bank reconciliation.

All funds received must be verified to the receipts and registration information to verify that all monies have been receipted and accounted for.

The employee assigned the responsibility of deposit preparation will prepare the deposit ticket, secure the funds and make the deposit into the proper bank account. All receipts should be accounted for and in sequential order. Any breaks in receipt order must be investigated.

Under no circumstances will employees make disbursements from the cash receipts. All cash receipts must be in the custody of the Business office.

All copies of the deposit ticket should have the bank stamp on them.

The stamped pink copy of the deposit ticket should be used for reconciliation purposes and should be forwarded weekly to the Regional Office.

The yellow copy of the deposit ticket should be attached to the documentation and maintained in the campus' files.

Bank Reconciliation

All bank reconciliations will be performed centrally and should be performed no later than fifteen (15) days after receipt of the bank statement.

Missing Funds Notification Process

If funds are missing from a deposit, the following notifications must be made, in writing:

The Regional Chief of Finance and/or Comptroller must be notified, immediately upon discovery.

The central office finance staff will notify the LCTCS director of internal audit who will in turn notify the Legislative Auditor and the appropriate District Attorney of the misappropriation.

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Approved:

A handwritten signature in blue ink, appearing to be 'Earl Meador', written over a horizontal line.

Earl Meador
Director



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Notice of Receipt

Each NWLTC employee handling cash shall have a signed Notice of Receipt form on file, stating they have read and agree to terms of Cash Handling Procedures.

I _____ have read and agree to terms of Cash Handling Procedures.

Employee Signature: _____ Date: _____

Supervisor Signature: _____ Date: _____

Approved:

Earl Meador
Director