

## Northwest Louisiana Technical Community College

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### *Cash Handling*

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Original Adoption: February 10, 2008  
Effective Date: February 10, 2008  
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#### **BACKGROUND**

All employees of Northwest Louisiana Technical Community College who handle cash must have both an awareness of and show a commitment to strong internal controls for cash receipts. The Vice Chancellor of Finance and Administration is responsible for establishing and maintaining the proper policies and procedures related to internal controls. 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 Northwest Louisiana Technical Community College (NLTC). If the payee space on the check is left blank, Northwest Louisiana Technical Community College should be entered immediately. Checks made payable to cash should not be accepted.

All checks to be deposited by NLTC are to be endorsed with a restrictive endorsement and entered into the accounting system immediately upon receipt. The endorsement should be as follows:

For Deposit Only  
Northwest Louisiana Technical Community 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 cashier.

A check receipt log is to be maintained at areas in which payments 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**

Bank reconciliations, which include ALL NLTCC accounts, shall be performed centrally and should be performed no later than fifteen (15) days after receipt of the bank statement.

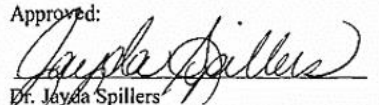
### **Missing Funds Notification Process**

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

1. The Vice Chancellor of Finance and Administration must be notified, immediately upon discovery.
2. The Vice Chancellor of Finance and Administration shall notify the LCTCS director of internal audit who will in turn notify the Legislative Auditor and the appropriate District Attorney of the misappropriation.

*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:



Dr. Jayda Spillers  
Chancellor

## Cash Handling Procedures

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### Notice of Receipt

Each NLCC 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: \_\_\_\_\_

Vice Chancellor of Finance and Administration Signature

\_\_\_\_\_ Date: \_\_\_\_\_