

# VERMONT TECH

## MANUAL OF POLICY AND PROCEDURES

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| <i>Title:</i><br><br><b>Cash Handling</b> | <i>Number:</i><br><b>T503</b>     | <i>Page(s):</i><br><b>3</b> |
|   | <i>Date:</i><br><b>11/04/2013</b> |                             |

### PURPOSE

The purpose of a College policy on cash handling is to formally communicate the College's expectations over the handling of incoming cash and other currency.

### STATEMENT OF POLICY

The College's policy on the handling of cash and checks received is as follows:

- Payees should be instructed to make checks payable to Vermont Technical College.
- Checks should be endorsed with the VTC depository stamp immediately upon receipt.
- Money received is to be deposited daily and intact. If for some reason a check is to be held, it should reside in the College's safe in the Administrative building on the Randolph Center Campus.

The cash control concept of "separation of duties" should be practiced whenever possible. This means that the person who prepares the bill and posts the receipt must be separate from the person receiving and handling cash.

In areas where cash controls are minimal procedures must be instituted at the site level to insure proper cash handling. Areas that come to mind are: parking stickers, library copiers, orchard sales, SHAPE transactions, basic skills testing, applications for enrollment, and "non-billed" receipts from alumni and other cash contributions.

Petty cash funds are for the convenience of the site. The fund is for the purchase or payment of small dollar amount items. The use must be for business purposes ONLY and an invoice or other documentation must support each transaction.

The funds should be of an appropriate size. i.e. not more than monthly reimbursement but not less than quarterly. All funds must be replenished at June 30 at the end of each fiscal year funds must never be used for personal reasons.

## PROCEDURES

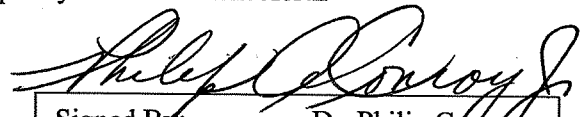
- I. This policy has attachments A and B for procedure reference.
  - a) Attachment A is cash receipts documentation
  - b) Attachment B is cash disbursements documentation.
- II. Federal Grant Cash Management Requirements
  - a) Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and sub grantees must be followed whenever advance payment procedures are used.
    - i) Cash advances to a recipient organization shall be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the recipient organization in carrying out the purpose of the approved program or project. The timing and amount of cash advances shall be as close as is administratively feasible to the actual disbursements by the recipient organization for direct program or project costs and the proportionate share of any allowable indirect costs, as per 29 CFR § 95.22.
    - ii) Payment methods shall minimize the time elapsing between the transfer of funds from the United States Treasury and the issuance or redemption of checks, warrants, or payment by other means by the recipients. Payment methods of State agencies or instrumentalities shall be consistent with Treasury-State CMIA agreements or default procedures codified at 31 CFR part 205 and as per 29 CFR § 95.22.
    - iii) The College (grantee) will establish reasonable procedures to ensure the receipt of reports on sub grantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their sub grantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees, as per 29 CFR § 95.21.

- b) Routine College internal control policy applies to all federal grants. Additionally, effective control and accountability must be maintained for all grant and sub grant cash, real and personal property, and other assets. Grantees and sub grantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes. Reference: 29 CFR § 95.21.
- c) The College (grantee) and sub grantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or sub grant awards and authorizations, obligations,
- d) Effective control and accountability must be maintained for all grant and sub grant cash, real and personal property, and other assets. The College (grantee) and sub grantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes. Reference: 29 CFR § 95.21.
- e) Actual expenditures or outlays must be compared with budgeted amounts for each grant or sub grant. Financial information must be related to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the grant or sub grant agreement. If unit cost data are required, estimates based on available documentation will be accepted whenever possible. Reference: 29 CFR § 95.21.
- f) Applicable OMB cost principles, agency program regulations, and the terms of grant and sub grant agreements will be followed in determining the reasonableness, whether a cost is allowable, and allocability of costs. Reference: 29 CFR 95.21 and 2 CFR 220.
- g) Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and sub grant award documents, etc. Reference: 29 CFR § 95.21.

**POLICY MODIFICATION HISTORY**

I. The following dates reflect chronological changes made to this policy which are henceforth considered depreciated.

- a) March 1997-Created
- b) November 2005-Revised
- c) August 2009-Revised
- d) November 2013-Revised



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| Signed By: | Dr. Philip Conway<br>President |
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|---------------------------|
| VSC cross-reference:      |
| VSC 404 – Cash Management |

## **VERMONT TECHNICAL COLLEGE**

### **CASH RECEIPTS Documentation**

#### **PROCEDURES**

Controller  
Staff Accountant II  
Student Accounts Coordinator  
Cashier  
Accounting Specialist II  
Public Safety Director  
Public Safety Officer  
Administrative Assistant, Williston Campus  
Assistant to the President  
Senior Staff Assistant, Facilities  
Mailroom Supervisor

Cash receipts are received by the college in one of four ways; mail, in person payments, phone and online payments. The following paragraphs provide a description of the processes the college is currently performing for their cash receipts transactions. All monies received by the college are received and processed at the main campus in Randolph VT, with the exception of the fees charged by the dentistry program run out of the Williston VT satellite campus. This process is also described below.

#### **PAYMENTS RECEIVED THROUGH THE MAIL**

Payments received through the mail, the vast majority being check payments and money orders are first handled by the Mailroom Supervisor who sorts the mail and gives checks the Senior Staff Assistant who then maintains a daily log of the checks. If the Senior Staff Assistant is not working, the Mailroom Supervisor will give the checks to the Staff Accountant II who will log the checks. All checks and a copy of the daily log are given to the Cashier in Student Accounts. The Staff Accountant II does a daily review of the checks/log and will code any checks that are not student account payments. Once this is completed the Staff Accountant II will give the checks and check log to the cashier on duty. Any checks that require additional research into the appropriate GL account to be charged against are copied and the original check is stored in the safe, located in the Student Accounts Office. Once the Staff Accountant II determines the appropriate GL account to charge, this is usually accomplished in 1-2 business days, she will write the correct GL number on the copy of the check and return it to the cashier on duty. The cashier then takes the check-out of the safe and records the check in her cash receipts session for that business day. Upon request of the payee a receipt for the transaction is mailed to the given address.

#### **PAYMENTS MADE IN PERSON**

Payments that are made in person are handled by the cashier or Accounting Specialist II. These can be made in three forms, cash, check, or credit card. Check payments received in person are handled the same way as check payments received in the mail. Cash payments are recorded on the cash receipts session for that business day and then stored in the cashier's drawer until the end of the day when they are transferred to the safe. At the beginning of each day the cashier's drawer is reconciled by either the Cashier or the Student Accounts Coordinator against the daily cash receipts listing from the previous day. Any variances are noted and investigated. A receipt is provided to the payee for all in person transactions.

## **WILLISTON CAMPUS CASH RECEIPTS**

The dentistry program run out of the Williston Campus charges reduced rates for dental services performed by its students. Patients have the option to pay with either cash or a check. Depending on the number of patients seen by the students and corresponding money on hand the Administrative Assistant will deposit the cash payments received to the bank account they have at a local TD Bank branch near this campus, per Staff Accountant II this is performed approximately 1-2 times per month. Who will then send a copy of the deposit slip for the amount of the cash deposit and all of the other checks received from the patients and mail them to the Randolph Campus to the Staff Accountant II. The Staff Accountant II writes a check for the amount of the cash deposit and gives that check along with the other checks to the Cashier where they are processed as normal payments received through the mail. The Administrative Assistant will also mail the bank deposit slips and the dentistry payment listing to the Assistant to the President who will reconcile this account with the monthly bank statement. The Staff Accountant II will then review this reconciliation and make any necessary adjustments. Per Staff Accountant II, the fees generated from this program are approximately \$2,000 per month.

At the end of the month the Chancellors Office, will reconcile the Datatel activity to the bank statement and will send this reconciliation to the Staff Accountant II who will investigate and explain any unusual reconciling items. Any adjusting entries are made in the following month, with the exception of June which is adjusted prior to the close of the Fiscal Year.

## **POLICY MODIFICATION HISTORY**

The following dates reflect chronological changes made to this policy which are henceforth considered depreciated.

- a) June 30, 2012 – Created
- b) November 22, 2013 – Revised

**VERMONT TECHNICAL COLLEGE**  
**Cash Disbursements Documentation**

**PROCEDURES**

Controller  
Accounts Payable Supervisor  
Staff Accountant II  
Account Specialist II

There are currently four ways for the college to purchase the goods and services it requires. The first being contracts for continuing services, the second being purchase orders for specific, one time purchases, the third being the Image Now approval process, and the final being credit cards issued by the college to select employees.

**REQUEST FOR PROPOSAL**

For some of the larger contracts (ex. telephone service through Level 3 Communications) the entire Vermont College System will all be on one account. These contracts are handled by the Chancellors Office and the leading members of management from each college. With VSC (Vermont State Colleges) requiring competitive bidding for substantial purchases exceeding \$100,000 per transaction in the form of a Request for Proposal (RFP) process. The RFP will be issued to a minimum of three potential vendors who have been identified as having the ability to provide the goods, services or equipment at a quality level acceptable to the VSC. A Competitive bid process, or simplified competitive bidding process, is encouraged and expected for all purchases up to \$100,000.

**PURCHASE REQUESTS/ORDERS**

The vast majority of the purchases made by the college go through the purchase request/purchase order format. The college currently has electronic purchase requests set up through their accounting software, Colleague. All departments of the college, with the exception of the College Equine department, are now using electronic purchase requests/orders.

Both the electronic and paper purchase requests are initiated by the individual in the department who is requesting the purchase of the goods or service. For the electronic purchase requests this is done by logging into Colleague and completing the Purchase Request (PR) form. The newly created purchase request must be approved by the area supervisor, in addition to the supervisors if the purchase request is in excess of \$5,000 the President or Dean of Administration must also approve the expenditure.

To sign the electronic purchase requests the supervisor (as well as any additional approvals that may be necessary) must log into Colleague, find the open purchase request for their department and electronically sign the form. The Colleague software does not currently have a notification function for open purchase requests the supervisors must go into the outstanding PR list under their user ID and select the requests. Currently only the supervisor listed on the PR by the initiating employee has the ability to sign off on the PR unless additional approvers are added. The paper PR is manually signed by the appropriate college

Once the checks are signed they are distributed or mailed by the A/P Supervisor. When preparing the checks for distribution the A/P Supervisor will review each check against the check run report while manually stuffing the envelopes.

To ensure there is not a substantial number of aged outstanding checks the Accounting Specialist II will run a Stale Check Report in Colleague every 2-3 months, depending on the amount of checks issued by the college. The Controller and A/P Supervisor will use this report to determine which vendors should receive stale check letters.

## **CREDIT CARDS**

In addition to the RFP and PO processes the college has issued Bank of America Visa credit cards to select employees. These cards are run through Bank of America Merrill Lynch (Works), an online software program used by the Vermont College System and linked into each college's Colleague account. The Works program is headed by the Accounts Payable Department at Castleton State; however each school is required to review and approve their own activity.

The activity on the cards is linked into Works with each cards activity. At the end of the month the employee will review their Works report, showing their activity for the previous month, for accuracy and submit it to their department supervisor for review and approval. These reports are then sent to the A/P Supervisor, Accounting Specialist II, or the Assistant to the Dean of Administration who will verify that the expense logs and receipts are matched up to the individual credit card expense logs. If not accurate then the p-card holder is notified (Accounting Specialist II does this).

Prior to the closing of each billing cycle a GL report is run by CSC to determine if any GL account numbers are in valid and sent to the Assistant to the Dean of Administration to make any corrections. Once the corrections are made the final mapper is run to update Colleague GL and Works is paid by CO.

Credit limits are determined on a case by case basis by College Management and can be adjusted by Admin Right holders (Assistant to the Dean of Administration or A/P Supervisor) to meet the needs for each user. Either by verbal or written approval from their Supervisor and the Dean of Administration.

There is one A/P checking account used for all five colleges. This account is reconciled by the Chancellor's Office. The A/P Supervisor and Controller are notified of any variances and investigate any issues brought to their attention.

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