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Cash Depositing Procedure

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|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Office of Administrative Responsibility: | Financial Services – Production Services (Director, Logistics & Business Services) |
| Approver: | Associate Vice-President, Finance and Supply Management Services |
| Scope: | Compliance with this University procedure extends to all academic, support and excluded staff, postdoctoral fellows, and academic colleagues as outlined and defined in the Recruitment Policy (Appendix A and Appendix B: Definitions and Categories) |

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|----------------------------------------------------|-----------------------------------------------------------------------------------------|
| Contact for questions about this procedure: | revenue.procedure@ualberta.ca |
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Overview

Cash is **currency**, cheques, bank drafts, money orders, credit and debit cards and electronic funds transfer (EFT).

Units may deposit cash received from external sales, non-credit fees, external cost recoveries and donations (currency only). Subject to approval by Financial Services – Cashier (FS Cashier), some units may deposit cash received for other specific purposes.

Units may not deposit cash received for billings to customers, externally restricted grant funding or non-currency donations. Financial Services processes billing payments. Financial Services and the Research Services Office process grant revenue, and the Office of Advancement processes donation revenue.

Only funds to which the university is legally entitled can be accepted and deposited to University of Alberta bank accounts and administered through the university financial system. All University of Alberta funds must be deposited to the university’s bank accounts and accounted for within the university’s financial system. University of Alberta bank accounts may only be opened in accordance with the *Banking Policy*.

All units that deposit cash are required to comply with this procedure, and to familiarize themselves with and follow the *Guide to Financial Management, Chapter 7: Revenue and Banking*, specifically the areas referred to in this procedure.

Purpose

The purpose of this procedure is to:

- provide units with a detailed understanding of the responsibilities and processes related to cash deposits,
- ensure that all cash is properly safeguarded and receipted and that cash deposits are made on a timely basis and coded accurately, and

- establish strong internal controls that support best cash management practices aimed at minimizing risk, protecting against loss, ensuring data privacy and security, and effectively utilizing unit and central administrative resources.

PROCEDURE

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1. DEPOSITS ACCEPTED FROM UNITS

The Senior Financial Officer (SFO) of the faculty or central service unit is responsible for deciding whether the unit will be permitted to accept cash, and for ensuring that the unit follows this procedure.

Units that have not been approved to accept cash will not be issued a Deposit Book. Any cash received by those units must be submitted to the faculty, Deans or Central Administrative office using the *Cheque Deposit Information Form*.

Units may use their deposit books for the following types of cash payments (refer to *Guide to Financial Management, Chapter 7: Revenue and Banking*):

- External sales (402xxx accounts);
- Non-credit fees (4031xx accounts);
- External cost recoveries (refer to *Guide Chapter 7: Revenue and Banking - External Sales and External Cost Recoveries* for account coding);
- Donations received in currency (account 108131 - Clearing Campus Cash Donation). Units must notify the Office of Advancement of these donations by contacting the Office of Advancement.
- Fees revenue related to credit courses (e.g. mandatory instructional support fee). For additional information, refer to *UAPPOL, Student Instructional Support Fees Procedure*.
- Deposit to asset (1xxxxx) and liability (2xxxxx) accounts for Central Service Units only, under specific circumstances.

Units may not deposit the following:

- Payments (cheques) for University of Alberta customer invoices (created in PeopleSoft Financial Billing module). Units must submit these payments to their faculty or central service office using the *Cheque Deposit Information Form*. The faculty or central service office will then forward to Financial Services, Accounts Receivable.
- Donations (cheques). Units must forward these to the Office of Advancement when received (use Cheque Deposit Information Form).

- Grants (cheques). Only the Research Services Office and Financial Services may process grant funding. Units must submit these payments to their faculty or central service office using the *Cheque Deposit Information Form*. The faculty office will then forward to Financial Services.
- Other Cheques (not listed above) must be submitted to the faculty office via *Cheque Deposit Information Form*.

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2. DECISION TO PROCESS CASH SALES OR EXTERNAL BILLINGS

The decision to process external sale transactions through cash sales or the PeopleSoft Billing module is dependent on the appropriateness and cost effectiveness of the process. Consideration is given to the nature of the unit's customers, the type of services or products being sold and the volume of transactions.

Cash sales are typically high volume, low value transactions where the customer is physically present when paying for goods and services received (e.g. a retail operation). Cash sales also include online payments. In such cases, the preparation of an external billing invoice would not make sense.

External billings typically occur when the unit has agreed to receive payment after the goods and/or services have been provided to an external customer. In such cases, an external billing invoice must be generated. External billing transactions are typically higher value transactions involving customers who are neither staff nor students.

Billing must be used to process sales and cost recoveries whenever possible to ensure that the university's financial statements and internal reports are accurate by recognizing revenue in a timely manner. In turn, this will maximize efficiency for all stakeholders by reducing cash handling in units and by enabling Financial Services – Accounts Receivable to manage customer accounts. For further information on the billing process, refer to *External Billing Procedure*.

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3. ACCEPTABLE FORMS OF PAYMENT (TENDER TYPES)

A tender is an offer of payment of a debt, including all the usual purchases consumers make every day. Payment may take many forms, such as cheques, credit and debit cards, electronic funds transfer, and currency. "Legal tender" refers to the method approved for paying debts.

To conclude a transaction, an agreement must be reached between the unit and the customer on an acceptable form of payment. Though the university accepts numerous different tender types, the SFO must be involved in the decision of which tender types the unit may accept, while adhering to university procedures.

Tenders that are accepted by the university include:

- a. Currency
 - Canadian dollar bills and coins are accepted. For additional information, including tender coin limits, refer to the *Currency Act* (RELATED LINKS). Individual units may adopt higher limits though, particularly if coins are properly wrapped and labeled. US dollar bills and coins are accepted (coins are remitted in CAD currency, no exchange rate applies). Deposits will be transacted at the current rate of exchange. See 'Exchange Rates' on the Financial Services website (RELATED LINKS) for current rates.

- Other foreign currencies are not accepted.

b. Cheques, Bank Drafts and Money Orders

Units must distinguish between cheques, bank drafts or money orders drawn on Canadian financial institutions as opposed to US financial institutions. Units should avoid accepting cheques, bank drafts or money orders drawn on other foreign financial institutions as these take considerable time to clear through the international banking system and can involve substantial service charges, which will be borne by the depositing unit. Refer to the *Electronic Funds Transfer (EFT) Incoming Payment Procedure* for an alternative method of receiving funds from foreign customers.

When cheques, bank drafts or money orders are accepted, ensure the following processes are followed:

- Ensure it is made payable to “Governors of the University of Alberta” and is for the total amount (selling price plus applicable taxes). Receiving a cheque for an amount higher than the total sale, which would require a partial return of funds, is not permitted.

Note: if a cheque is made payable to a unit (e.g. payable to Department of Oncology instead of to the Governors of the University of Alberta) and it represents university revenue, the unit would still process the cheque as per the instructions below (in most instances the cheque will clear through the bank). The unit would also contact the customer and advise them to change the vendor name to Governors of the University of Alberta.

- Cheques received must be endorsed (back of cheque) with ‘pay to the order of the University of Alberta’ followed by the unit name, speed code and GL account number.
- Ensure the cheque body (the amount in words) and numerical figures agree.
- Ensure the cheque is signed. In the case of a personal cheque, verify the signature against a piece of identification (driver’s license/credit card). The individual who signed the cheque must initial any changes or corrections made on the cheque.
- Ensure the date on the cheque is current and not stale (i.e. dated more than 6 months prior). Stale-dated cheques can only be negotiated if certified by the financial institution where it is drawn.

Note: postdated cheques are accepted with caution. A postdated cheque is a promise to pay, not a tender of payment. If goods or services are to be provided at a future date, only do so once the postdated cheque has become current, been deposited and cleared the banking system. The following applies:

- The unit is responsible for the safekeeping of the postdated cheque until it becomes current and is deposited.
- The official university receipt is not issued until the cheque becomes current and is deposited. At that time, the receipt can be provided to the customer.
- Ensure current contact information (name, address, and telephone) is provided on the cheque. Recognize that in a university setting a cheque may reflect a customer’s permanent contact information as opposed to their current address for the academic year. If the information on the cheque differs from the customer’s current address, record the current information on the back of the cheque.
- Record the university’s official receipt number on the back of the cheque.

- It is not advisable to accept a cheque from a corporate client until they have established a purchasing history with the university. For large dollar transactions, it is recommended that the corporation be contacted to verify the authenticity of the cheque, and it may be appropriate to ask that the cheque be certified. The unit is responsible for assessing the customer's credit worthiness and the unit's risk tolerance.
- Refunds for cheques are not issued until the unit is confident the payment (cheque) has successfully cleared the customer's bank account. The unit should not initiate the refund until a suitable waiting/clearing period has lapsed. This waiting period should be no less than 20 banking days from the deposit date (30 banking days for cheques drawn on foreign banks).
- Dishonored cheques (typically due to non-sufficient funds (NSF) or stale dated items) returned by the university's bank to FS Cashier will result in a charge to the unit's bad debt expense (account 502671). A copy of the dishonored cheque as well as a copy of the debiting journal entry will be forwarded to the unit for their records. The collection of the dishonored item will be the unit's responsibility.
 - Only cash, money orders or certified cheques should be accepted for the repayment of a dishonored cheque.
 - As part of the restitution, the unit should also recover any associated chargeback fees from the customer. Proceeds collected as restitution of a dishonored cheque are to be receipted using a second official receipt with "recovery of dishonored cheque" noted clearly on the receipt, and deposited with a GL distribution line that reverses the bad debt expense entry (which clears the bad debt and all associated NSF charges).

c. Credit & Debit Cards Electronic Direct Deposit - Point of Sale (POS) and eCommerce (eSelect)

If a unit intends to accept credit and debit cards as a form of payment, the unit must contact FS Banking staff for assistance with initial setup. All requests for new Visa, MasterCard, American Express, Discover Card, and/or Debit card (Interac) merchant accounts (and/or changes/ deletions) are managed through FS Banking. The unit is responsible for all associated fees for processing these transactions, which include the following:

- Discount Fees - The Merchant Discount Rate (MDR) is the rate charged by the credit card companies for processing each transaction. The MDR and card branding fees apply to all credit card transactions, and vary by type of credit card used. Each unit is responsible for applicable service provider fees. The aggregate monthly discount fee based on merchant number is debited to Bank & Merchant Account Fees (account 503821) by FS.
- Chargebacks - Chargebacks are reversals of sales resulting from a cardholder dispute, or if proper acceptance and/or authorization procedures were not followed. Chargebacks and their associated service fees are automatically debited from the merchant account; subsequently, these charges will be expensed back to the department speed code. Copies of all chargeback information will be sent by Financial Services to the department contact. The chargeback is debited to the departmental Bad Debt Expense (account 502671), and the chargeback fee is debited to the unit's "Bank & Merchant Account Fees" (account 503821).
- POS terminal and/or eCommerce (eSelect) (charged to account 503821) - Options are available depending on the unit's business needs:
 - Wired POS Terminal – used for high volume face to face transactions,
 - Wireless POS Terminal (short range) – face to face transactions within the office,

- Wireless POS Terminal (cellular) – face to face transactions at temporary or out of office locations,
 - eCommerce (eSelect Plus online accounts) – used for high volume, online transactions, and
 - eCommerce (PAYD Smartphone attachment for eSelect Plus accounts) – in person transactions.
- Stationery supplies, which may include POS terminal paper and/or paper chits for manual processing are charged to account 503821.

The unit is responsible for complying with the Payment Card Industry Security Standards (PCI Compliance), charges associated with PCI compliance, and the applicable service provider terms and conditions. These include the following:

- Staff training regarding the proper handling of credit and debit cards, and processing of transactions.
 - In person, examine card and check expiry date and signature. Validate the signature on the transaction slip against that on the credit card. If the signature sample is not legible, compare cardholder signature to a second piece of identification (i.e. driver's license/credit card).
 - Ensure authorization code is recorded for each transaction.
 - Staff training regarding the proper storage and subsequent destruction of sensitive credit card data.
 - Ensure card number, CVV and expiry dates are not stored and are shredded.
 - Ensure all physical equipment and online services that process or handle credit card data are regularly monitored and tested by IST (or third party) to comply with PCI security requirements.
 - For POS terminals, ensure paper transactions slips do NOT include sensitive cardholder data.
 - For manual imprint machines, ensure the imprinter remains in good working order so impressions clearly show card number, cardholder name and expiry date.
 - Ensure all applicable amounts (i.e. selling price, applicable taxes, and total amount) are accurately and clearly recorded on the transaction slip.
 - Note the University of Alberta official receipt number on the transaction slip.
- d. Electronic Funds Transfer (EFT) – This form of payment includes bank to bank transfers and wire payments. Refer to the *Electronic Funds Transfer (EFT) Incoming Payment Procedure*.

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4. SAFEGUARDING CASH

Strong internal controls must be in place to ensure cash sale proceeds are adequately safeguarded, deposited and accurately reflected in the university's general ledger. It is imperative that units opting to conduct cash sale transactions fully understand and accept the related cash handling risks and responsibilities.

The unit must handle proceeds in a secure manner while in use, or when being held pending deposit with FS Cashier. The unit is liable for any lost cash. To mitigate the risk of fraud, theft, or error, system and procedural controls must be followed:

- a. Cash must be kept in a secure location and not left unattended during business hours. Cash must be stored overnight (or during the day if unattended) in a locked cash box within a locked cabinet or safe to which there is restricted access.
- b. Segregation of Duties – critical controls such as segregation of duties, limited access and regular reconciliation are important when handling cash.
 - The number of individuals authorized to receive and handle cash should be limited. The individual who receives the cash should prepare a list of all incoming cash.
 - Ensure that the responsibility for receiving cash is segregated from the responsibility for depositing the cash. No one person is permitted to handle the transaction from beginning to end.
 - A supervisor compares the record of the initial receipt of cash to the amount deposited. Specifically confirming that the *Deposit Form* (which issued by Financial Services in a deposit book), which reflects both the amount deposited and the general ledger entry should agree (equal) to the total of the cash register, point of sale terminal and/or manual receipt book for the same period.
- c. Unit's processes must include proper receipting and depositing of cash.
- d. Completeness of cash transactions must be regularly reviewed. Cash transactions must be reconciled to the general ledger accounts on a monthly basis, at a minimum, to ensure transactions are recorded correctly. The overall completeness of revenue for each unit must be evaluated by comparing actual revenue recorded in the general ledger to budget or forecast amounts.
- e. The pickup and delivery of deposits from the unit is completed by Supply Management Services (SMS) - contact dispatch at 780-492-4122. All deposits must be submitted in a deposit bag sealed by the originator (deposits will not be transported without a secured seal). Seals are uniquely numbered and this number must be noted on the "Deposit in Transit Receipt".

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5. OBTAINING A CASH REGISTER OR TEMPORARY FLOAT

Some units receive currency from customers on a regular basis. Such transactions typically require that customers receive change. To facilitate this, a cash float is available through Financial Services for units using a cash register. A temporary cash float may be requested for special functions where a cash box or drawer will be used in place of a register. Given the liquidity of currency, strong internal controls must be maintained concerning the use of cash floats. The SFO is required to approve all custodians.

To request cash floats, complete a *Cash Register Float Application* located under Cashier in the Financial Services forms cabinet. The following requirements must be adhered to if a float is to be provided:

- a. The individual responsible for the float (the custodian) and the budget owner must sign the form.
- b. The amount requested must be justified and commensurate with the unit's needs, and is subject to approval by Financial Services.

- c. The custodian must provide the original signed *Cash Register Float Application*, and OneCard ID at the time of receiving the funds from the FS Cashier.
- d. The float must be kept in a secure, locked place under the control of the custodian or their designate. Cash must not be left unattended during the day and particular attention needs to be paid to the security of cash overnight.
- e. Floats are used for making change to conclude currency transactions and shall at all times contain the authorized and issued amount of cash: only the currency denominations may change. Exceptions may occur in the case of currency refunds; however, proper documentation will be required.
- f. Funds derived from other sources cannot be added to the float and floats shall not be used for other purposes such as personal loans, cashing cheques, petty cash purchases/disbursements, salaries, wages or honoraria. Floats shall not be used for the purposes of petty cash. Refer to *Petty Cash Procedure*.
- g. Floats must be accounted for on a daily basis as part of cash register (if applicable) or manual closing and balancing process.
- h. When the custodian of a cash float terminates their employment or intends to be absent for an extended period of time, the custodianship, with the SFO approval, will be either transferred to another employee within the unit or returned to the Cashier.
 - When transferring the float the Change Custodian section of the Cash Float Application must be completed. The form must be signed by the outgoing custodian and the new custodian as well as the SFO. The form is brought to the Cashier by the new custodian along with OneCard ID.
 - When the cash float is no longer required or the unit wishes to decrease the float, the custodian must complete the change float section of the Cash Float Application and return to Financial Services with the actual cash funds. The FS Cashier will sign the form upon receipt of the funds and provide a copy along with a cashier receipt back to the custodian/depositor for their records.

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6. ISSUING CASH RECEIPTS

Units are required to properly evidence proceeds by issuing official University of Alberta receipts.

The issuance of receipts is the responsibility of the unit and must occur at the time of the sale of the goods or services. Under no circumstances are receipts issued for proceeds to which the university is not legally entitled.

All receipts, whether manual, cash register or computerized, must include the following:

- 'University of Alberta' clearly imprinted on the receipt
- unique receipt number
- university GST registration number (108102831 RT0001)
- transaction date
- sale amount, GST amount and total amount (displayed separately)

If a cash register is used, it must provide an audit tape record of all sales activity which cannot be manually altered.

The receipt should not be confused with POS terminal credit or debit card transaction slip, or manual credit card sales draft, which include transaction information only. It is good practice to record the form of payment received on the receipt (i.e. currency, debit card, cheque, or type of credit card).

Cash proceeds are receipted using one of the following:

a. Manual (handwritten) receipt for units without cash registers

Units without cash registers must issue an official handwritten University of Alberta receipt for all payments received. Official receipt booklets are available from the FS Cashier in person or by e-mailing a request to fs.cashier@ualberta.ca indicating 'Revenue Receipting' in the subject line. Each receipt is pre-numbered for identification purposes and indicates the university's GST Registration Number. For control purposes, the Cashier tracks the issuance of official receipt books. Once issued, receipt books become the responsibility of the unit.

- As with cash proceeds, official receipts must be handled in a secure manner and kept in a secure location. Receipt books must not be left unattended during business hours and must be stored within a locked cabinet or safe to which there is restricted access.
- Official receipts are not to be altered in any way. If an error is made, all copies of the receipt remain in the receipt book with "cancelled" written across the face of the receipt. The number of the cancelled receipt should be cross-referenced with a notation on the properly issued receipt (i.e. replacing cancelled receipt #). The number of the new or replacement issued receipt should be noted on the cancelled receipt.
- For credit or debit card transactions, a manual imprinted credit card slip or a printout from a POS terminal does not substitute an official university receipt. A handwritten official receipt is still required.
- Unused receipt books are to be returned to the Cashier.
- The official university receipt book should meet the needs of most sales units; however, a unit can submit a layout proof to the Cashier for approval. Once approved, the unit is responsible for coordinating printing and the associated costs. If opting for this approach, the unit must also track the numbering and issuance of these specialized receipt books for control and audit purposes.
- Funds collected to make good on a dishonoured cheque are receipted with "recovery of dishonoured cheque".

b. Cash registers

When currency is received directly from customers with some degree of frequency and in a variety of small and large amounts, a cash register is required. Contact Financial Services for all matters pertaining to selection and installation of an approved cash register. At that time, Financial Services will review the related required procedures with the selling unit. It is the responsibility of the unit to implement and adhere to these procedures.

- The register must produce a detail tape locked in the register, which is a continuous record of the amounts recorded that day, with a total (X total).
- It should also provide, under a separate key control, the accumulated total amount of sales (Z total) that is carried forward for a longer time period, until authorized reset at zero.
- The detail (X total) must not be accessible to the person using the register, and the reset key (Z total) should not be accessible to the supervisor of the activity involved.

- In order to obtain effective control, the cash register detail tape (X total) must be accessible to a supervisor, who is does not operate the cash register. The reset key (Z total) should be in the custody of management senior to the supervisor.

The transaction slip from either the manual imprint machine or POS terminal receipt is not considered a substitute for an official University of Alberta receipt. It must be accompanied by an official cash register, integrated cash register or handwritten receipt.

The following procedural steps are required for each transaction:

- Enter the sale of products and services in front of the customer. The amount being entered into the register should be clearly visible to the customer and a printed copy of the receipt is provided to the customer showing the amount of the sale.
- Supervisory approval is required for all voids, cancellations or other alterations to cash receipt tapes. Attach voided receipts to the unit's copy of the deposit sheet.
- At the close of the business day, the supervisor should unlock the register and read the X total. The supervisor should then clear the cash register for the following day, thus automatically recording the current day's cash receipt X totals on the Z tape. The X tape should be removed from the register and retained for subsequent comparison with the total cash turned in for that register.
- The unit cashier must count the cash and another staff member must record the amount on the *Deposit Form* (form details under 7. Depositing Cash).
- Any differences between cash receipts and the cash register tapes must be reconciled and a record kept of overages and shortages. This information is included in the Deposit Reconciliation section of the *Deposit Form*. The supervisor must review and sign the reconciliation.
- Receipts cannot be manually altered prior to printing.

c. Internet Sales

Units transacting online via the internet must comply with the above instructions that all transactions are properly receipted. For online transactions, the responsibility to ensure a secure website and all associated liabilities rests with the unit. See Payment Card Industry (PCI) Security Standards (RELATED LINKS) for further information. Units considering this option are required to work with Financial Services and IST to ensure all setup and procedural considerations are properly addressed prior to any transactions.

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7. DEPOSITING CASH

Cash (currency, cheques, bank drafts, money orders, credit and debit cards) must be deposited using an official University of Alberta *Deposit Form*. Unique and pre-numbered *Deposit Forms* (bound in books) can be obtained from FS Cashier in person or by e-mail to fs.cashier@ualberta.ca. For control purposes, the FS Cashier tracks the issuance of these books. Once the deposit book is issued, it becomes the responsibility of the unit. Unused books must be returned to the FS Cashier.

All original copies of voided deposit forms must be clearly marked and forwarded to FS Cashier for recording. Units may be periodically asked by the FS Cashier to account for pre-numbered deposit forms that have been issued to them.

Deposits must be legible and include appropriate back up only when required as indicated below.

Units must not photocopy cheques for retention or any other purpose.

a. Deposit Frequency

Cash must be deposited on a timely basis. At a minimum, units must deposit as follows:

- Not less than weekly for total proceeds of \$0 to \$999 (amounts less than \$100 should be accumulated onto one deposit sheet and deposited weekly).
- Not less than daily for proceeds over \$1,000.
- Regardless of amount, all accumulated amounts must be deposited on the last business day of the month.
- At the university's fiscal year end (March 31), units are required to accrue external revenue and external cost recoveries exceeding \$100,000 by submitting a GLJE request. This is only applicable where it is not possible to deposit cash received by the end of the last business day of the year (e.g. Bookstore, parking fees, non-credit fees). At the discretion of the faculty Senior Financial Officer, a lower threshold may be used.

b. Deposit Process

Cash deposits including currency must be sent via campus courier. Currency must never be sent via the campus mail system. If required, alternate arrangements must be approved by FS Cashier for funds to be deposited directly to a University of Alberta bank account via an approved armored car service. Contact the FS Cashier to discuss this option.

The following lists the requirements for completing the *Deposit Form*:

- Deposit Type:

- Mail-in deposits are those submitted via the university's inter-departmental mail service and are processed within 48 hours of being received by the FS Cashier. Only cheques, bank drafts and money orders are accepted (currency cannot be sent in by campus mail). FS Cashier receipts are provided to units that provide a self-addressed return envelope with the deposit.
- University courier service is provided by SMS, Distribution Services. Call dispatch at 492-4122 to book and request a locked bag, which is required for transportation. A courier will then pick up the deposit from the unit and deliver to the FS Cashier for processing. Units can also request a "Deposit in Transit Book" from FS Cashier (email fs.cashier@ualberta.ca) to log deposits transported by SMS courier.
- Direct Deposit applies to electronic deposits, specifically credit and debit card revenue from POS and eCommerce (eSelect). *Deposit Forms* are processed by the Cashier on receipt. Deposits are sent to FS Cashier via campus mail or may be included in locked bags with the cash deposit sheets if applicable.
- Night Deposit is a non-electronic type of direct deposit, where proceeds (currency, cheques, bank drafts, and money orders) are deposited by the unit directly to the University's bank account. Units must be approved and set up by FS Cashier for this type of deposit. Funds are deposited at the bank using Consolidated Cash Plan (CCP) slips, which are available for approved units from FS Treasury (treasury.fs@ualberta.ca). A copy of the CCP,

accompanied by a *deposit form* (Financial Services deposit book) prepared by the unit (total amounts matching) should be sent to the FS Cashier on the same day the deposit is made at the bank, or on the following day, for reconciliation and processing to the GL. The deposit sheets can be sent via campus mail or included in locked bags with cash deposits if applicable.

- Incomplete *Deposit Forms* (Financial Services deposit book) will not be processed by FS Cashier.

– Currency Type:

Currency deposited can be Canadian dollars, US dollars, or other. Although multiple forms of payment (i.e. dollar bills, coins and cheques) are permitted on the same *Deposit Form*, all must be in the same currency.

Deposits that require separate *Deposit Forms* include:

- US cheques drawn on US bank accounts in US dollars – Units must convert US dollars to Canadian dollars by multiplying the US dollar amount by the 'bank buy rate' posted on the Financial Services website. US dollar deposits received in a given week will be processed using the same weekly exchange rate. Every effort will be made not to carry US dollar deposits received on Friday over to the following Monday. To facilitate this, units are asked to submit by 1:30pm on Friday, when possible.
- Foreign/international bank cheques or drafts drawn on a Canadian bank in Canadian dollars.
- Foreign/international bank cheques or drafts from a foreign bank account. These payments must be sent to their respective jurisdiction for collection and collection times are not consistent. These types of payments are not desirable and customers should be directed to pay by wire transfer instead.

– Deposit Tender Types (e.g. currency, cheques, credit card):

- Total of all tender types must equal the total deposit amount. Depending on the tenders being deposited, additional supporting documents may be required.
- When depositing currency, units must ensure proceeds are submitted in an orderly manner. Dollar bills must be sorted by denomination. Coins must be rolled when enough has been received to complete a full roll (e.g. a roll of quarters must contain 40 coins totaling \$10). Purchase of coin wrappers is the unit's responsibility.
- Cheques - List cheques individually in the cheque Summary section of the *Deposit Form* and include a calculator tape listing for three or more cheques. Units that complete night deposits must deposit funds to the university's bank account using the provided Consolidated Cash Plan (CCP) slips. The CCP slips are available from Financial Services – Treasury (treasury.fs@ualberta.ca). Since funds have already been sent to the bank, units must include the CCP slip with the corresponding *Deposit Form*. The total on the *Deposit Form* (Financial Services deposit book) must match the total on the CCP slip(s).
- Credit Card - Electronic Direct Deposits processed through POS and eCommerce (eSelect) are electronically deposited to the bank daily. Units must reconcile transactions to the batch reports on a daily basis. The corresponding *Deposit Form*, indicating eSelect merchants with a check mark, should be submitted to FS Cashier with the Closed batch numbers listed and the report attached:

- Units using POS terminals must “close batch” at the end of each day.
 - Online, eSelect batches are closed through an overnight automated process. The eSelect closed batch reports are available online the following day.
- General Ledger (GL) Distribution Details:
- Distribution details are required to record the proceeds in the University of Alberta’s GL.
- The following GL distribution information is required on all *Deposit Forms*, in the GL Distribution Posting Details section:
- Fund and speed code

Generally, units can only process external sales to operating funds (F210, F310, and F330). There are certain approved exceptions where units are allowed to combine revenue sources (e.g. record external sales revenue to 402xxx accounts in F530). This includes units funded from both restricted and operating (e.g. centres, institutes) and, pursuant to approval by RSO, small amounts of ad hoc sales throughout the life of a restricted research project funded by grant revenue.
 - Account number

Units must follow the university’s guidelines (RELATED LINKS) when processing deposits as external revenue or external cost recoveries.

External revenue is recorded in the 402xxx and 4031xx account ranges (refer to *Guide Chapter 4: Chart of Accounts*). Units with regular selling activity must use a detailed 402xxx account or request a new account if an appropriate detailed account is not available. Units with ad hoc sales or very low volume selling activity may use account 402001.

Internal revenue accounts (401xxx) are only used for internal revenue related to sales between units and must not be used when depositing cash sales. These transactions are processed on *Internal Sales Forms*.

Budget level accounts (accounts ending with BL) cannot be used on the pre-numbered *Deposit Form* or on the *Cheque Deposit Information Form*.
 - Distribution amounts less than \$100 should be coded to one chartfield string as these amounts are immaterial in value. Appropriate tax coding still applies.
 - Distribution amount: net of tax in Canadian dollars only; foreign currencies must be converted. Current exchange rates for US dollars are posted on the FS website. For other foreign currency payments, contact the FS Cashier.
 - GST Tax Code: TS, ES, N or ZS.

Units are responsible for determining the appropriate tax code. Refer to *Guide Chapter 7: Revenue and Banking - Goods and Services Tax (GST) and Harmonized Sales Tax (HST)* for tax codes related to external sales and external cost recoveries.

The Cashier system will automatically calculate the tax amount at 5% based on the distribution amount indicated when tax Code TS is indicated on the *Deposit Form*. There are rare occasions where the GST portion may not be exactly 5%. In these cases units must fill in the amounts required on the *Deposit Form* and make a note to the right of the distribution line

to advise the FS Cashier that the amounts are to be overridden. Supporting document for adjustments to tax calculation must be maintained at the unit.

- Gross Amount: Distribution amount plus tax amount.
- When reconciling at the end of day, if a negative amount results due to refunds processed for credit card and debit card transactions, the tender amounts must be indicated as such with the use of closed brackets around the dollar amount(s). For example, “(5.00)” would represent a negative amount. This may also affect the distribution lines of the deposit. As such, a distribution line recorded as negative amount will result in a debit to the unit’s speed code and account in the GL. If insufficient funds are available to issue a refund then a *Payment Request Form* is used. Note, cash and cheque tenders are not negative.
- Total Deposit: the total of Gross Amount column for all distribution lines. This must equal the total of all Tender Types.

– Deposit Reconciliation

To ensure all proceeds have been deposited and reconciled to the unit’s register or cash receipts, units must complete the Deposit Reconciliation section at the bottom of each *Deposit Form*. Units using cash register receipting must complete the cash register receipting reconciliation.

– Signatures

The signature block section of the *Deposit Form* must be completed to indicate the unit name (or merchant account name), description of the deposit (e.g. registration for workshop), date and preparer’s name and phone number, and must be signed by both the preparer and the approver.

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8. REFUNDS

It is the unit’s responsibility to ensure that customers are aware of their return or refund policy. If a unit needs to process a refund, the following applies:

- a. The unit is to retain complete records of all refund transactions including:
 - customer name, mailing address and telephone number
 - original transaction date
 - official university receipt number
 - description of the good or service that is being refunded
 - original selling price, GST and total proceeds
 - reason for refund
 - copy of *Payment Request Form*, if applicable
- b. Credit card refunds must be refunded to the original credit card used.
- c. Debit card transactions may be refunded back to the original debit card, in cash, or by using the *Payment Request Form*.

- d. Currency transactions are refundable either in cash or by using the *Payment Request Form*. If the unit has insufficient currency for a refund, a *Payment Request Form* must be used. These tenders cannot be negative amounts on the *Deposit Form*.
- e. Cheque transactions are refundable either using cash or by using the *Payment Request Form*, after a suitable waiting period has passed (20 banking days for Canadian cheques, 30 banking days for all others) to ensure the original cheque has successfully cleared the banking system.

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9. VERIFYING AND CORRECTING CASH DEPOSITS

Following the verification and approval of the *Deposit Form* by the unit, the FS Cashier will verify that it corresponds to the physical deposit. If there are errors the Cashier will advise the preparer. Errors must be corrected before the deposit is processed.

Queries and reports of cash deposits are available for transaction review and verification purposes. Errors must be identified and corrected on a timely basis. If an error has occurred, the unit is to complete the *Cashier Deposit Correction Form* (refer to Financial Services Forms Cabinet).

Note: The University has set a minimum threshold of \$250 per line for corrections in operating funds.

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10. RETENTION AND FILING OF SOURCE DOCUMENTS

Units are required to retain orderly and secure records for the statutory period of six years plus the current year. This includes the following:

- copy of official University of Alberta receipts (issued and cancelled)
- copy of *Deposit Forms*
- copy of CCP slips, where the unit processes night deposits
- cash register audit detail tape, where a cash register is used
- complete record of refund transactions
- copy of electronic deposit transaction slips
- other original supporting documentation related to cash deposits. Units must not copy cheques for retention purposes.

For accessibility, records must be filed in the unit, department or faculty by fiscal year, and *Deposit Form* number. A Generic Journal Jacket is recommended for retention purposes (refer to Financial Services Forms Cabinet).

Financial Services retains the original *Deposit Forms*, along with supporting documentation for the statutory period of six years plus the current year. Note, these forms are provided by the unit when the night deposits and electronic deposits are submitted,

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DEFINITIONS

Any definitions listed in the following table apply to this document only with no implied or intended institution-wide use. [▲Top](#)

| | |
|-----------------|---------------------------------|
| Currency | Canadian dollar bills and coins |
|-----------------|---------------------------------|

FORMS

Should a link fail, contact uappol@ualberta.ca. [▲Top](#)

[Cash Register Float Application Form](#)

[Cheque Deposit Information Form](#)

[Cashier Deposit Correction Form](#)

[Incoming EFT Customer Payment Information Form](#)

[Office of Advancement \(Donations\) – Forms](#)

[Payment Request Form](#)

RELATED LINKS

Should a link fail, contact uappol@ualberta.ca. [▲Top](#)

[Currency Act \(Section 8\)](#)

[Electronic Funds Transfer \(EFT\) Incoming Payment Procedure](#)

[External Billing Procedure](#)

[Financial Services – Exchange Rates](#)

[Guide to Financial Management Chapter 7: Revenue and Banking](#)

[Payment Card Industry \(PCI\) Security Standards](#)