

Approval Date: April 26, 2016

Parent Policy: [Financial Management and Practices Policy](#)

## Cash Depositing Procedure

<b>Office of Administrative Responsibility:</b>	Financial Services – Production Services (Director, Logistics and Business Services)
<b>Approver:</b>	Associate Vice-President, Finance and Supply Management Services
<b>Scope:</b>	Compliance with this university policy/procedure extends to all Academic Staff and Colleagues and Support Staff as outlined and defined in Recruitment Policy (Appendix A and Appendix B).

<b>Contact for questions about this procedure:</b>	<b><a href="mailto:revenue.procedure@ualberta.ca">revenue.procedure@ualberta.ca</a></b>
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### Overview

Cash is currency (bank notes and coin), 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, 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 processes 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 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*, specifically the areas referred to in this procedure.

### Purpose

The purpose of this procedure is to:

- provide units 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

- 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**

1. [DEPOSITS ACCEPTED FROM UNITS](#)
2. [DECISION TO PROCESS CASH SALES OR EXTERNAL BILLINGS](#)
3. [ACCEPTABLE FORMS OF PAYMENT \(TENDER TYPES\)](#)
4. [SAFEGUARDING CASH](#)
5. [OBTAINING A CASH REGISTER OR TEMPORARY FLOAT](#)
6. [ISSUING CASH RECEIPTS](#)
7. [DEPOSITING CASH](#)
8. [REFUNDS](#)
9. [VERIFYING AND CORRECTING CASH DEPOSITS](#)
10. [RETENTION AND FILING OF SOURCE DOCUMENTS](#)

### 1. DEPOSITS ACCEPTED FROM UNITS

The Senior Financial Officer (SFO) of the faculty or central service unit is responsible for the decision whether the unit will be permitted to accept cash, and to ensure 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 the unit must be submitted to the faculty 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, Revenue and Banking*):

- External sales (402xxx accounts)
- Non-credit fees (4031xx accounts)
- External cost recoveries (refer to *Guide Chapter 7: External Sales and External Cost Recoveries* for account coding)
- Donations received in currency (bank notes and coins) (account 108131 – Clearing Campus Cash Donation). Units must notify Office of Advancement of these donations by completing the *Donation Deposit/Pledge Transmittal Form*.
- 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. Generally these are for central services units only.

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 office through the *Cheque Deposit Information Form*. The faculty office would then forward to Financial Services.
- Donations (cheques). Units must forward these to the Office of Advancement when received.

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

[\[Return to Summary\]](#)

## 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 WEB based 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; therefore maximizing 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*.

[\[Return to Summary\]](#)

## 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, currency (bank notes and coins). "Legal tender" refers to the money 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 - Cash (coin and bank notes)

Canadian - Bank notes are accepted as tender and must be issued by the Bank of Canada. For additional information as to the meaning of legal tender and the limits on a tender of payment in coin refer to the *Currency Act* (RELATED LINKS). Although this sets out limits on a payment in coin, units can use discretion and accept coinage beyond stated limits, particularly when wrapped and labeled.

U.S. - Units may accept and deposit US dollar bank notes. These deposits will be transacted at the current rate of exchange (see Exchange Rates on Financial Services (FS) web site for current rates).

Other Currency - Units may not accept any other foreign currencies.

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. Refer to the *Electronic Funds Transfer 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 procedures are followed:

- Ensure the cheque, bank draft or money order is made payable to "Governors of University of Alberta" and is for the total amount (selling price plus applicable taxes). Writing cheques for more than the total sale for the purpose of 'receiving change' is not permitted.

Note: If a cheque is made payable in the unit name (e.g. payable to Department of Oncology instead of University of Alberta) and it is university revenue, the unit will process the cheque (as per procedures). The unit will also contact the customer and advise them to change the vendor name to University of Alberta.

- Cheques received must be endorsed (backside 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 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-dated (non-negotiable after 6 months of date). Stale-dated cheques can only be negotiated if certified by the financial institution where it is drawn.
- Postdated cheques are accepted with caution. Postdated cheques are promises to pay, not tenders of payment. If goods or services are provided at a future date, allow for the postdated cheque to become current, and deposited and cleared the bank. The following applies:
  - The unit is responsible for the safe keeping of the postdated cheque until it becomes current and is deposited.
  - The official university receipt is not issued until it 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 units need to establish a threshold and it is recommended that the corporation be contacted to verify the authenticity of the cheque, as it may be appropriate to ask that the cheque be certified. This decision should be determined by the unit's assessment of 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 is at the discretion of the unit, but should be no less than 20 banking days from the deposit date.
  - 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.
    - Funds collected to replace a dishonored item are deposited with a GL distribution line that reverses the bad debt expense entry of the debiting journal. The unit is responsible to collect an additional \$25 NSF fee from the customer (if applicable) and deposit to departmental revenue. The replacement funds and NSF fee will be submitted on the *Cheque Deposit Information Form*. Do not deposit on a pre-numbered *Deposit Form*.
- c. Credit & Debit Cards Electronic Direct Deposit - Point of Sale(POS), Interactive Voice Response (IVR), 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, DiscoverCard, and or Debit card (Interact) merchant accounts (and or changes/ deletions) are managed through Financial Services - 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).
- 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).

- The choice of POS, IVR and eCommerce (eSelect) are available depending on the unit's business needs:
  - Wired Point of Sale Terminal – used for high volume face to face transactions
  - Wireless Point of Sale Terminal (short range) – face to face transactions within the office
  - Wireless Point of Sale Terminal (cellular) – face to face transactions at temporary or out of office locations.
  - IVR (Interactive Voice Response) – used for mail, telephone or faxed orders, small volume transactions.
  - eCommerce (eSelect Plus online accounts) – used for high volume, online transactions.
  - 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 (account 503821).

The unit is also responsible for complying with the Payment Card Industry Security Standards (PCI Compliance) and the applicable services provider terms and conditions, which 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 and other sensitive card data are not stored.
  - 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*.

[\[Return to Summary\]](#)

#### 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 responsibilities.

The unit must handle proceeds in a secure manner while in use, or when being held, pending deposit with Financial Services 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 in handling cash.
  - The number of individuals authorized to receive and handle cash should be limited. The individual who receives the cash should prepare a listing 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 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 totals for the same period.
- c. Ensure the unit's processes include proper receipting and depositing of cash.
- d. Ensure the completeness of cash transactions is regularly reviewed. Cash transactions must be reconciled to the general ledger accounts on a monthly basis at a minimum to ensure transactions recorded correctly. The overall completeness of revenue for each unit is evaluated by comparing actual revenue recorded in the general ledger to budget or forecast amounts.

[\[Return to Summary\]](#)

#### 5. OBTAINING A CASH REGISTER OR TEMPORARY FLOAT

When currency (bank notes and coin) is received directly from a customer in varying amounts with on-going frequency, a cash register float is used. 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.

To request cash floats complete a *Cash Float Application Form* located under Cashier in the Financial Services forms cabinet. To complete the form ensure the following:

- 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 Float Application Form*, and OneCard ID at the time of receiving the funds from the 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 shall not be used for other purposes such as personal loans, cashing cheques, petty cash purchases/disbursements, salaries, wages or honoraria. Floats are not to 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 his/her employment or intends to be absent for an extended period of time, the custodianship of the float must 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 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.

[\[Return to Summary\]](#)

## 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
- product 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 slips, or manual credit card sales drafts, 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, and type of credit card).

Cash proceeds are receipted using one of the following:

a. Manual (Hand Written) 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 Cashier in person or by e-mailing a request to [fs.cashier@ualberta.ca](mailto: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 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 errant 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 point-of-sale (POS) terminal does not substitute for 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. Selling Units with Cash Registers

When cash (particularly bank notes and coin) 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 the approved cash register. At this time, Financial Services will review with the selling unit the related required procedures. 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 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*.
- 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. Telephone and Internet Sales

Units transacting business by telephone or on-line via the Internet must comply with the above procedure; all transactions are properly receipted. For on-line 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 either of these payment options are required to work with Financial Services and IST to ensure all setup and procedural considerations are properly addressed prior to transacting any such business.

[\[Return to Summary\]](#)

## 7. DEPOSITING CASH

Cash (bank notes, coin, cheques, bank drafts, money orders, and 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 the Cashier in person or by e-mail to [fs.cashier@ualberta.ca](mailto:fs.cashier@ualberta.ca). For control purposes, the 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 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 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 wishing to drop off deposits and receive a receipt via campus mail must include a self-addressed envelope with deposits. Units can request a "Deposit in Transit Book" from the Cashier to log deposits left with cashiers to be receipted or those that have been sent via campus courier. Request in person or by e-mail [fs.cashier@ualberta.ca](mailto:fs.cashier@ualberta.ca).

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

a. Deposit Frequency

Cash must be deposited on a timely basis. Daily submission of deposits is recommended. At a minimum, units must deposit as follows:

- Not less than weekly for total proceeds of \$0 to \$999
- Not less than daily for proceeds over \$1,000.
- Regardless of amount, all 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 where it is not possible to deposit cash received by end of the last business day of the year (e.g. Bookstore, parking fees, non-credit fees), by submitting a GLJE request. At the discretion of the faculty Senior Financial Officer, a lower threshold may be used.

b. Deposit Process

Cash deposits including currency (bank notes and coin) must be delivered in person or via campus courier. Currency must never be sent via campus mail system. Alternate arrangements must be approved by the Cashier for funds to be deposited directly to a University of Alberta bank account via an approved armored car service. Contact the Cashier to discuss this option.

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

- Deposit Type:

- Walk-in deposits are those that are submitted in person to the Cashier while the unit's depositor waits. Bank notes, coin, cheques, bank drafts and money orders are accepted. A cashier receipt is given to the depositor.
- Mail-in deposits are those submitted via the university's inter-departmental mail service and are processed on the date they are received by the Cashier. Only cheques, bank drafts and money orders are accepted (bank notes and coins cannot be sent in by mail). Cashier receipts are provided to units that provide a self-addressed return envelope with the deposit.
- University courier services can be provided by contacting Supply Management Services, Distribution Operations. A courier will pick up the deposit from the unit and deliver to the Cashier for processing. Units can seal deposits in an envelope however it is advised that the unit purchases a locked bag and provides a copy of the key to the Cashier (contact the Cashier for information as to the supplier).
- Direct Deposit applies to electronic deposits, specifically credit and debit card revenue from POS, IVR, or eCommerce (eSelect). *Deposit Forms* are processed by the Cashier on receipt. A cashier receipt is issued if a self-addressed return envelope is included.
- Night Deposit is a non-electronic type of Direct Deposit, where proceeds (bank notes, cash, cheques, bank drafts, and money orders) are deposited by the unit directly to the university's bank. The deposit sheet is submitted to the Cashier and processed upon receipt. Units must

be set up and approved by Financial Services for this type of deposit. A cashier receipt can be provided if a self-addressed return envelope is included. It is important that these forms are sent to the Cashier the same day the deposit is made at the bank, or the following day.

- Incomplete *Deposit Forms* may be rejected by the Cashiers Office.

– Currency Type:

Currency type refers to the bank the funds are drawn (CDN, USD, or Other). Though multiple forms of payment (i.e. bank notes, coin and cheques) are permitted on the same *Deposit Form* all must be in the same currency (i.e., although Canadian dollar bank notes and US dollar bank notes are the same form of payment (bank notes), they cannot be submitted on the same *Deposit Form*).

Deposits that require separate *Deposit Forms* include:

- U.S cheques drawn on US bank accounts in US dollars – Units must convert US dollars to Canadian by multiplying the US dollar amount with the bank buy rate posted on the Financial Services home page. 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 avoid late-in-day deposits. When possible US deposit are to be submitted by 3:30pm on Friday.
- Foreign/international bank cheques or drafts drawn on a Canadian bank in Canadian dollars.
- Foreign/international bank cheques or drafts not drawn on a Canadian bank, or US cheques or drafts not drawn on a Canadian bank, or US cheques in Canadian dollars. These cheques are not subject to standard Canadian bank clearing processes and must be sent to their respective jurisdictions for collection. Collection times and charges vary by jurisdiction. These types of payments are less desirable and when possible units should advise customer to pay by wire. Refer to *Electronic Funds Transfer (EFT) Incoming Payment Procedure*.

– Tender Type (e.g. cash, 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 (bank notes and coin) units must ensure proceeds are submitted in an orderly manner. Bank notes must be sorted by denomination. Coin 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.
- List cheques individually in the cheque Summary section of the *Deposit Form* and include a calculator tape listing for three or more cheques. Alternatively, units can complete two calculator tape listings. One is stapled to the *Deposit Form* and the other is fastened to the cheque bundle by paperclip or rubber band. (Do not staple 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* must match the total on the CCP slip(s).
- Units completing Electronic Direct Deposits (POS, IVR, and eCommerce (eSelect)) must "close batch" on all POS terminals at the end of each day as this amount is electronically

deposited to the bank. IVR and eSelect batches are closed in an overnight automated process and deposited electronically to the bank. The eSelect closed batch reports are available online the following day. Units must reconcile transactions to the batch reports on a daily basis. When the corresponding *Deposit Form* is submitted to the Cashier, the closed batch report or IVR report must be attached. Closed batch report numbers, and IVR breakdown must be listed on the *Deposit Form* in the Closed Batch Numbers section. Units must indicate if they are an eSelect merchant by placing a check mark in the appropriate box in the tender section.

– General Ledger (GL) Distribution Details:

Distribution details are required to record the proceeds in the University of Alberta's general ledger.

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 process external sales only to operating funds (F210, F310, 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*). The unit has the choice of coding to a summary level or a detailed level, depending on their reporting requirements. Sales of products and services are reported on at the institutional level. Units with regular selling activity will 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) are not permitted to be used on the pre-numbered *Deposit Form* or on the *Cheque Deposit Information Form*.

- 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 Web site. For other foreign currency payments, contact the Cashier.

- GST Tax Code: TS, ES, N or ZS

Units are responsible for determining the appropriate tax code. Refer to *Guide Chapter 7: 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 Cashier that the amounts are to be over ridden. 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 units 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.

[\[Return to Summary\]](#)

## 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 (bank notes and coin) 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 days) to ensure the original cheque has successfully cleared the banking system.

[\[Return to Summary\]](#)

## 9. VERIFYING AND CORRECTING CASH DEPOSITS

The Cashier will verify that the *Deposit Form* corresponds with the physical deposit. If there are errors on the *Deposit Form*, the Cashier will advise the preparer. Errors must be corrected before the Cashier processes the deposit.

Queries and reports are available for transaction review and verification purposes of cash deposits. 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.

[\[Return to Summary\]](#)

## 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
- any other original supporting documentation related to cash deposits. Units must not copy cheques for retention purposes.

For accessibility, records should be filed centrally in the unit 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 required to be submitted for night deposits and electronic deposits, for the statutory period of six years plus the current year.

[\[Return to Summary\]](#)

## **DEFINITIONS**

There are no definitions for this Procedure. [[▲Top](#)]

## **FORMS**

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

[Cash Register Float Application](#)

[Cheque Deposit Information Form](#)

[Cashier Deposit Correction Form](#)

[Incoming EFT Customer Payment Information Form](#)

[Payment Request](#)

## **RELATED LINKS**

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

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

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