



3300 - Safeguarding Cash

Policy

The Chancellor shall direct establishment of bank accounts for the deposit of District funds. The Executive Vice Chancellor shall be responsible for prescribing procedures safeguarding District funds and funds collected by student body organizations.

Reference: *Education Code Section 84040(c); Title 5, Section 58311*

Adopted: June 28, 2004

Procedure

I. Internal Controls over Cash

A. Cash Handling and Depositing.

For purposes of these procedures, these transactions include handling and depositing cash receipts and maintaining custody of cash. These transactions should be performed in a manner that provides assurance that:

1. All cash that should have been received was in fact received, recorded accurately, and deposited promptly.
2. Cash disbursements have been made only for authorized purposes and have been properly recorded.
3. Cash balances are maintained at adequate, but not excessive, levels by forecasting expected cash receipts and payments related to normal operations.

B. General Guidelines.

Each unit should maintain detailed cash handling and depositing procedures necessary to create the most efficient control environment, but the following are some general guidelines to good cash handling practices:

1. Do not permit any one employee to handle a transaction from beginning to end.
2. Separate cash handling from record keeping.
3. Centralize receiving of cash as much as possible.
4. Record cash receipts immediately.
5. Deposit each day's cash receipts intact.
6. Make all disbursements by check, with the exception of small expenditures from petty cash, whenever possible.
7. Have monthly bank reconciliations prepared by employees not responsible for the issuance of checks or custody of cash. The completed reconciliation should be reviewed promptly by the appropriate supervisor.

8. Forecast expected cash receipts and disbursements and investigate variances from forecasted amounts.

Reference: *Education Code Section 84040(c); Title 5, Section 58311*

Procedure Last Revised: 04/11/07