APPENDIX 8

Income Collection Methods & Cash Handling Procedures

INTRODUCTION

1. General

These procedure notes describe the various methods of collecting income and set out the principals that must be followed when handling cash, cheques or card payments. The Cashiers Office, located on A floor in University House will be pleased to provide any further guidance if required and can be contacted by email at cashiers@lancaster.ac.uk or on Extn: 94978.

Cashiers Office Counter opening times are 9.00 am to 4.30 pm Monday to Friday.

1.1 Banking of monies due to the University.

Without exception, cash and cheques with a combined value of more than £250 must be banked by close of business on the next working day. Where the combined value is less than £250, banking must take place within 5 working days.

2. Methods of receiving income

The following methods are available for receiving income for goods and services;

2.1 Online payments

The University has an online payment system at http://www.lancaster.ac.uk/online-payments/ where staff, students and customers can pay for various items including tuition and residences fees. This system accepts all major debit and credit cards excluding Diners Card.

2.2 Online Store

In addition to the online payments system, an online store is available for all Departments to use for a wide variety of sales including short-courses, conferences, bedding packs and study materials etc. Promoting sales through the online store removes the need to handle cash and cheques and has proved very popular with many Departments across the campus. The online store can be accessed at http://www.lancaster.ac.uk/online-payments/ and further details can be obtained by contacting the store administrator at onlinestore@lancaster.ac.uk.

2.3 Directly into the University’s bank account

Customers can pay directly into the University’s bank account (see Appendix A for account numbers) using this method. Customers should be asked to quote their invoice number as a reference or in the absence of an invoice number, a relevant reference should be quoted eg. student identification number, in order to help to identify the income.
2.4 Debit or credit card

Where significant volumes of counter transactions exist (eg. bars, catering, sports centre etc), credit and debit card facilities can be made available. In such circumstances all types of card are acceptable with the exception of Diners Card.

Payment is received via a card terminal which must be totalled at the end of each day and a summary of the coding should be sent to the Cashiers Office where it will be reconciled to the University bank account.

Full instruction is provided by the Cashiers Office upon installation of the card terminal.

Customers can also pay by debit or credit card to the Cashiers Office either directly or by phone.

2.5 Cheque

If paying by cheque, customers should be encouraged to send cheques directly to the Cashiers Office, Finance Division, University House, Lancaster University, Bailrigg, Lancaster, LA1 4YW.

In circumstances where cheques are received in departments the procedures described in section 3 below must be followed.

2.6 Cash

Where payment by any of the above methods is not possible and customers wish to pay by cash they should be encouraged to pay cash in person at the Cashier’s Office.

In circumstances where cash is received in Departments, the procedures described in section 3 below must be followed.

3. Receiving and banking of cash and cheques

Where cash and/or cheques are received in Departments, a University receipt book will be required. These are available from the Cashiers Office and must only be used by the Department to which it is issued.

3.1 Receiving cash and cheques within normal office hours

All cheques and individual cash transactions of £5 and above must be receipted on arrival using only the standard University receipts. Cash and cheques received from the same person on the same day for various items may be included on one receipt. There are 3 copies of the receipt, one for the person making the payment (white copy), one for the Cashiers Office (pink copy) and the final copy is retained by the department (blue copy).

Cash less than £5 should not be receipted but must be recorded in a University cash book which can be obtained from the Cashiers office.

Cash and cheques should be recorded in a University “Paying-in-Book”, totalled and
checked to the value of receipts issued and/or monies recorded in the cash book.

Income received should be accurately applied to invoice numbers or in the event of no invoice number the appropriate income codes.

When all information is complete, the paying-in book should be signed and dated.

3.2 Receiving cash outside of normal office hours

It is recognised that certain areas will collect cash outside of normal office hours (for example, money for photocopying or bedding packs collected overnight in certain colleges). Cash received in this manner is typically very low value and the following procedures should be followed:

3.2.1 Takings should be recorded in a manual cash book and totalled at the end of each shift.

3.2.2 The takings should be held in a cash box and stored in a secure location (see section 5 below).

3.2.3 All takings should be handed to the administrative officer responsible for banking at the start of the next working day.

3.2.4 The administrative officer should check that the monies agree to the cash-book and should initial the cash-book accordingly.

3.2.5 The cash should be banked in accordance with the guidelines at 3.4 below.

3.3 Reconciliation procedures

The precise nature of reconciling the amounts taken with the actual bankings will vary depending on the various systems (e.g., different tills) across campus. Please refer to Guidance note 8.2 which provide the underlying principals which must be applied for the reconciliation of all receipts.

3.4 Banking of cash and cheques

Monies received in Departments can be banked at either the Cashiers Office or at Barclays Bank on campus using the following procedures;

3.4.1 Banking at the Cashiers Office

Completed University paying-in-books, signed and dated by the individual remitting the funds should be hand delivered to the Cashiers Office along with the pink copy of any receipts issued.
3.4.2 Upon receipt one of the Cashiers team will:-

Ensure that all cash is correct;
Ensure cheques are made out to the University, dated and signed;
Verify the total;
Review the coding of the income between invoices and account codes;
Input the transaction to the University finance system (Agresso);
Attach the printed receipt from Agresso to the paying-in-book;
Initial the paying-in-book and date stamp.

The full amount of any monies received must be handed over to the Cashiers Office. The department must retain no amount of any cash for any purpose whatsoever. If small petty cash floats are required, even for short temporary periods, please refer to section 4 of this manual.

3.4.3 Banking at the Barclays Bank on campus

As an alternative to paying monies in at the Cashiers office, cash and cheques can be paid in directly to the Barclays Bank on campus. A bank paying-in-book is required and these are available from the Cashiers Office where a register of paying-in-books in circulation is maintained.

Two options are available for paying in directly at the bank:

i) Drop & Go

In order to avoid queuing at the bank, a Drop & Go facility is available where money is placed in a secure bag and deposited at the collection point within the bank. Please contact Cashiers office for full instructions.

ii) Paying over-the counter

The three part bank paying-in-slip is completed, signed, dated and presented together with any receipts to the bank. The bank will retain two copies and leave one copy attached within the paying-in-book.

4 Petty Cash Floats

Petty cash floats are available to all Departments for low value purchases where it is not practical to buy through the normal procurement procedures.

Petty cash should be stored in a locked cash-box within secure cupboards or drawers.

All petty cash floats are subject to random spot checks throughout the year by either the Finance Division or the University’s internal or external auditors and furthermore are subject to confirmation twice a year at 31st January and 31st July.

The procedures for acquiring floats and the recording of transactions are as follows;
4.1 New Float / Additional Amount

4.1.1 Completed request forms should be sent to the Cashiers office who will confirm when the cash will be available for collection. Forms available at [http://www.lancaster.ac.uk/depts/finance/Section/Forms.htm](http://www.lancaster.ac.uk/depts/finance/Section/Forms.htm)

4.1.2 The person collecting the cash must be known to Finance or have relevant identification and be the name quoted on the request form.

*Please note:* The charge code is *always* 4811 plus the project code for the set up of new floats or additional amounts, expenditure codes are debited when the receipts are returned for reimbursement.

4.2 Disbursement of Cash

4.2.1 As petty cash is issued the ‘reimbursement of petty cash float’ form should be completed. (This form replaces the need for individual petty cash vouchers);

4.2.2 A signature is required from the person receiving the cash;

4.2.3 Cash must NOT be issued to self;

4.2.4 The receipts should be numbered and kept with this form;

4.2.5 Reasons for the expenditure should be inserted on the form;

4.2.6 The account code, project and appropriate amounts should be recorded for each item of expenditure;

4.2.7 The ‘reimbursement of petty cash float’ form along with the numbered receipts should be kept with the remaining cash until the float needs topping back up. This means that your remaining cash plus receipts for any expenditure must ALWAYS add up to the original amount of the float;

4.2.8 The Cashiers Office cannot reimburse more than the original float amount.

4.3 Reimbursement of Petty Cash Float to Departments

4.3.1 A signed petty cash float reimbursement voucher should be taken to the Cashiers office together with receipts for the money spent. Please ensure all VAT claimed is supported by a VAT receipt.

4.3.2 The Cashiers Office will issue the amount spent and obtain a signature from the person collecting the cash.

4.3.3 The amount spent will then be input to Agresso by debiting the charge codes quoted on the reimbursement voucher.
4.4 Repayment of Petty Cash Float

Where Departments no longer require a petty cash float, all outstanding receipts plus any remaining cash should be returned to the Cashiers Office.

4.4.1 Departments should complete their paying-in book for the return of the petty cash float (enter full amount of float, regardless of actual cash remaining) to be repaid into 4811 plus the project code.

4.4.2 Departments should also complete a reimbursement voucher as normal for any expenses paid out to be charged to the relevant expense codes.

4.4.3 In Agresso the charge codes will be debited and the total float cleared from account code 4811.

4.5 Top-up floats

It is recognised that for certain events (for example Freshers’ Week or Graduation functions) a top-up float will be required to provide sufficient change for the functions.

The process for obtaining and returning top-up floats is as follows:

i) Areas complete a top-up request form, found at http://www.lancaster.ac.uk/depts/finance/Section/Forms.htm, obtain authorisation from the budget holder and send the request to the Cashiers Office.

ii) Top-up floats should be returned to the Cashiers Office or, alternatively, banked directly at Barclays branch on campus, on the next working day after the event has finished.

5 Use of Safes

Cash in excess of £500 should always be stored in a secure safe. The type of safe required will depend on the amount of cash and cheques typically held in each particular area and further guidance should be sort from the Cashiers Office where cash held is regularly in excess of £100.

When cash levels rarely exceed £500, it is unlikely to be cost effective to purchase a safe for these occasions. In the rare circumstances in which the cash exceeds £500, the following options are available;

i) Ensure cash is banked on the same day at either the Cashiers Office or directly at the bank (see section 3.4 above).

ii) Monies can be stored in one of the many safes across campus (please contact the Cashiers Office for details of the nearest appropriate safe).

iii) Deposit the money for safe keeping at the Cashiers Office.
6 Insurance Limits

6.1 General

The University is insured against the loss of money up to the limits detailed below and cash should not be kept in excess of these insured limits.

6.2 Definition of Money

Money is described as cash, bank notes, currency notes, uncrossed cheques, uncrossed postal orders, uncrossed money orders, current postage stamps, luncheon vouchers, consumer redemption vouchers and gift tokens.

6.3 Limits

<table>
<thead>
<tr>
<th>Description</th>
<th>Limit</th>
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<tbody>
<tr>
<td>6.3.1 Money contained in locked specified safes outside working hours (a specified safe is one registered with the Security Office and Finance that meets certain standards).</td>
<td>To be agreed with insurers</td>
</tr>
<tr>
<td>6.3.2 Money contained in locked unspecified safes outside working hours.</td>
<td>1,500</td>
</tr>
<tr>
<td>6.3.3 Money on University premises, whilst out of a safe, outside working hours (e.g. cash tins).</td>
<td>500</td>
</tr>
<tr>
<td>6.3.4 Money at the residence of any Director or Employee.</td>
<td>350</td>
</tr>
<tr>
<td>6.3.5 Money in transit on campus must be carried by at least one able bodied person.</td>
<td>3,000</td>
</tr>
<tr>
<td>In excess of £3,000 (up to £10,000) – 2 able bodies persons. In excess of £10,000 – security carrier.</td>
<td></td>
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<tr>
<td>6.3.6 Money in coin operated machines (per machine).</td>
<td>500</td>
</tr>
</tbody>
</table>

7 Cash advances

Cash advances are available for staff intending to travel on University business. Typically such advances relate to foreign currencies but may in certain circumstances be applicable for UK travel.

Generally 24 hours notice is required for Sterling, Euro and US Dollar advances, although 48 hours may be required for large amounts. Other currencies require up to four working days notice.

Cash advances can be ordered via the following link: http://www.lancaster.ac.uk/depts/finance/Section/Forms.htm.

Any unused cash must be returned to the Cashiers Office upon return to the University.
Guidance note 8.1

University Bank Details

For details of the University’s Bank details please contact the Cashiers Office on Ex: 93316.

Guidance note: 8.2

Cash reconciliation

The precise nature of cash reconciliations will vary depending on the tills and operating systems in use across campus but the following guidelines should be followed wherever possible:

- Tills should be totalled on a daily basis;
- Cash should be counted and reconciled to the tills when totalled and verified by two members of staff;
- A reconciliation sheet must be signed by the person responsible for the cashing up procedure;
- Any discrepancy greater than £5 must be notified to the Finance Division immediately.

All areas must agree the precise form of their reconciliation with the Finance Division who will maintain a register of all reconciliations. Any changes to the reconciliation procedures must be agreed with the Finance Division before implementation.