University to conduct cash collection audit
Trustees request audit to ensure proper handling of funds

Apr 1, 2008

In an effort to ensure the proper handing of public funds across the university, the Internal Audit department has initiated a university-wide cash collection audit at the request of the Ohio University Board of Trustees Audit Committee.

As a first step in the process, Internal Audit is requiring that any university employee who collects funds in any form -- cash, checks or credit card payments -- complete a collection point inventory form by Wednesday, April 16. Areas collecting funds that do not complete the form will be identified and interviewed to obtain the required information.

Director of Internal Audit Kathy Gilmer said the cash collection audit serves two purposes.

"First, it protects university funds. Second, and equally important, it protects our employees who are entrusted with handling university funds," she said. "Handling cash incorrectly can result in serious consequences.

"Through this audit, we will provide employees with the guidance they need in order to handle cash correctly," she said. "In addition, we will obtain a better picture of where cash collection points exist in the university."

Completed collection point inventory forms should be e-mailed by April 16 to audit@ohiou.edu or sent via campus mail to Internal Audit, 275 HDL Center.

Guidelines for handling funds

Internal Audit offers several important guidelines related to the appropriate handling of funds collected by university departments.

If your Ohio University position entails handling cash, you should be aware that failure to follow proper cash-handling policies, procedures and regulations could have serious consequences in the form of loss or theft of university funds. Such occurrences can result in administrative or criminal investigations.

Here are some guidelines for handling university funds:

- You should never retain funds from receipts to use as change. All change funds must be set up through General Accounting (740-593-1898).

- All funds collected must be deposited intact. Do not make personal loans or purchases from university funds. Do not write personal checks and remove cash from funds. Petty cash funds may be set up for small purchases that cannot be made by a purchasing card. General Accounting can help with that.

- Checks should be stamped "for deposit only" immediately upon receipt. Contact the Bursar's office for stamp specifications.
Segregation of duties is essential to protect university funds. Reconciliation between the recorded receipts and the deposits in the Financial Management System (FMS) should be performed by someone other than the individual making the deposits. If current staffing levels in your area do not allow for adequate segregation, management oversight is essential to protect assets.

Another common mistake is that individuals receiving funds do not record them in any way. This makes it difficult to perform any type of reconciliation. If you don't have a way to determine how much you collected and when, you cannot verify all funds were deposited in a proper and timely way. Recording may be as simple as copying the checks, writing duplicate receipts or maintaining a spreadsheet listing, at a minimum, the amount collected, date received and some sort of identifier such as name or check number.

Any discrepancies or missing funds must be immediately reported, researched and resolved. Reports should be filed with the Ohio University Police Department (740-593-1911) and/or Internal Audit (740-593-1865).

Ohio Revised Code and university policy (51.001) require that all funds received are deposited in one business day unless the total on hand is less than $1,000. If the funds can be locked up, they can be deposited within three days or when the total reaches $1,000, whichever occurs first.

If you are the individual responsible for the collection and safeguarding of money, you are expected to learn proper procedures and controls and to maintain the security of funds. You may be held responsible for missing funds if you have not adequately controlled access or properly recorded transactions.

If you have questions or concerns regarding the appropriate handling of university funds, contact General Accounting (740-593-1898), the Controllers Office (740-593-0342) or Internal Audit (740-593-1865).