

Receipt, Custody and Deposit of Revenues

A complete record and accounting of all money collected by each student organization should be maintained by the elected or appointed student organization financial officer. Accountability and recording of such collections should be maintained from the collection of such funds until the deposit of these funds in the Student Organization Finance Center account.

Receipts

A pre-numbered receipt should be written or an entry made in a cash register for all money received by a student organization. It is recommended that a copy be provided for the payer as well as a copy retained and filed in numerical sequence by the student organization.

Suggested information included on receipts is:

1. A receipt number
2. The purchaser name
3. The product or service
4. The quantity
5. The unit price
6. The total, and
7. The signature of person receiving the payment.

Cash sales entered in cash registers and sales of admission tickets satisfy most receipting system requirements and would not require the aforementioned receipt process.

The student organization should assign all receipt numbers, maintain a record of the receipts, and monitor the receipts used, including those voided. For some operations, the financial officer of the student organization can implement alternative procedures for the purpose of reducing the volume of receipts issued or cash register entries made. An alternative system should also account for all receipts.

Cash registers should be equipped to issue receipts. All organizations using cash registers should prepare daily reports that compares money received with register readings and identifies overages and shortages.

An inventory of admission tickets should be maintained and kept on file. Pre-numbered tickets are suggested to assist in maintaining an inventory report.

Custody

For the purpose of defining cash control procedures Cash Advances shall be classified as:

1. working funds, usually reasonable or nominal amounts used in making change or refunds for cash sales, and
2. cash funds, generally small amounts used to pay for items or incidental expenditures that cannot be handled expeditiously through regular disbursement procedures. No

payment of services, rents or leases, or other IRS reportable income may be paid with cash funds.

At no time is an organization to maintain a petty cash or slush fund. There is no authorization for any organization to use cash received or the proceeds of cash sales for any purpose whatsoever other than for deposit in the SOFC.

The SOFC will provide proper facilities for securing funds and will advise the organizations on appropriate facilities for such protection.

Cash funds shall be the specific responsibility of a designated individual, and that individual must retain custody and control over the cash funds for which he/she is responsible for at all times. Secondary responsibility shall be assigned to another designated individual in the organization if the regular custodian is unavailable.

Lock combinations and custody of keys should be maintained by one person. Combinations and keys should always be kept "on the person" and never stored in a desk drawer or other such place. Funds less than \$100, keys may be stored in a desk drawer or other such place as long as access to the keys is limited to the people having primary and secondary responsibility for the fund.

For use in emergencies or absence of the custodian, copies of the combinations and keys may be put in a sealed envelope in the SOFC vault until needed. In no case should more than two persons have access to combinations or keys.

When custody of cash funds is transferred from one individual to another, a receipt or document acknowledging the transfer should be kept. The transfer of funds from the regular custodian to the secondary custodian may also be documented in this manner.

If the funds are part of a cashiering function, the primary custodian may issue smaller amounts as needed and obtain a signature upon issuance and again when the funds are returned.

These procedures outlined provide the elements necessary for a workable, yet controlled, cash-handling environment.

Deposits

All revenue will normally be deposited daily to the SOFC. Those organizations which collect nominal amounts of revenue are exempt from this daily deposit requirement, but must make deposits whenever the amount on hand reaches \$200 and at least once every three business days regardless of the amount, so that the SOFC may make deposits in the depository bank within seven (7) days of the original date of collection. Persons transporting cash funds and negotiable securities (excluding restrictively endorsed checks and payroll checks) in excess of \$2,500 between offices or between an office and the SOFC should be accompanied by a security guard. The SOFC, at their discretion, may provide a security guard to accompany persons transporting funds in lesser amounts.

The SOFC may authorize, in writing, other exceptions to the daily deposit requirement upon presentation by an organization of sufficient justification for unusual circumstances preventing compliance.

Immediately upon receipt, checks should be endorsed "For Deposit Only, The account name, and the account number." There is no authorization for any organization to use the fees or other charges collected or the proceeds of cash sales for any purpose whatsoever other than for deposit in the SOFC. This prohibition includes the cashing of personal checks. Purchases shall not be offset against amounts due.

Inventory Control

A complete record and accounting of all inventory items should be maintained by a student organization's designated custodian. It is advised that accountability for such records be maintained from the receipt of such items until the sale or disposal of same.

Receipt of Inventory

A listing of all inventory purchases and transfers of custody, along with supporting documentation should be written and kept on file in the student organization's business files.

Information on inventory control sheets may include:

1. the vendor name/custodian name
2. the product purchased/transferred
3. the quantity, and
6. the signature of person receiving the inventory.

Example:

Inventory Record – T Shirts							
Inventory Received from	# Received/ Transferred	Date	Inventory to	Signature of custodian receiving inventory	Balance in Inventory	# Comps.	# Sold
<i>Red Oak</i>	250	6/1/2005	<i>Joe Smith</i>	<i>Joe Smith</i>	250		
<i>Joe Smith</i>	-15	6/5/2005	<i>Sue Jones</i>	<i>Sue Jones</i>	235		
<i>Sue Jones</i>	10	6/5/2005	<i>Joe Smith</i>	<i>Joe Smith</i>	245		5
<i>Joe Smith</i>	-5	6/6/2005	<i>comps</i>	see comp sheet	240	5	

Custody and Transfer of Custody

Inventory should be the specific responsibility of a designated individual or primary custodian, and that person should retain custody and control over the inventory for which he/she is responsible for at all times. Secondary responsibility may be assigned to another designated individual or secondary custodian in the organization if the primary custodian becomes unavailable.

Be advised that inventory should be stored in a secure location. Lock combinations and custody of keys should be maintained by one person. Combinations and keys should be kept "on the person" and never stored in a desk drawer or other such place. For inventory valued at less than \$100, keys may be stored in a desk drawer or other such place as long as access to the keys is limited to the people having primary and secondary responsibility for the inventory.

For use in emergencies or absence of the primary custodian, copies of the combinations and keys may be put in a sealed envelope and placed in the vault of the SOFC or other secure area until needed. In no case should more than two persons have access to combinations or keys.

When custody of inventory is transferred from one individual to another, a receipt or document acknowledging the transfer should be kept. The transfer of inventory from the regular custodian to the secondary custodian should also be documented in this manner.

If the inventory is part of a sales function, the primary custodian may issue smaller amounts as needed and obtain a signature upon issuance and again when the inventory is returned.

These procedures provide the elements necessary for an inventory controlled setting. Exceptions to the procedures may be considered only for unique situations such as operations open on weekends or activities that are held away from TAMU, or where alternative security controls exist.

Recording Complimentary Gifts

Inventory is normally disposed of by sale. On occasion, organizations will choose to give complimentary items to certain individuals. Records should be kept on these.

Information should include:

1. Name of the recipient
2. List of items given
3. Date of gift

Example:

Complimentary Gifts (T Shirts)		
Date	Recipient of Comp.	# of Inventory items given
6/6/2005	Sue Jones	2
6/6/2005	Joe Smith	2
6/6/2005	President Henry	1

Cooperation within organization

The primary inventory custodian should collaborate with the student organization's financial officer so that proper inventory records, sales and use tax returns (if needed), and vendor payments may be completed. All inventory files may be maintained by the organization's financial officer upon completion of the sale event.

Student Organization Account Reconciliation

Fiscal records should be reconciled every month to the SOFC accounting system statement and any reconciling items that are outstanding should be cleared as soon as possible.

Account Reconciliation is a method for reconciling the organization's financial accounts to the monthly financial statements produced by the Student Organization Finance Center. Reconciliation is the process of comparing organizational account records to the reports generated from FAMIS (the accounting system used by the SOFC) to verify the accuracy of each. The responsible person for each account is required to verify or perform this procedure every month. Account reconciliation is essential to ensure accurate reports, because it identifies errors and inconsistencies requiring correction.

The SOFC will electronically distribute monthly account statements to the student organization's primary advisor and designated financial officer.

It is advised that the student organization's financial officer be responsible for maintaining the official books of the organization's SOFC account. They should also keep accurate records that furnish information on sales, transfers, credits, expenditures, charges and encumbrances. It is recommended that the organization set up a system that includes a receipt and disbursement journal and subsequent reconciliation report.

Financial records and reports are subject to audit by the SOFC and System internal audit staff.