

FINANCIAL INFORMATION SYSTEM

Managing Cash Receipts

August 2007



UNIVERSITY OF
TORONTO

Agenda



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Definition of Cash Receipts



“Cash” receipts are defined as:

- Currency (includes coin and bills)
- Personal cheques
- Certified cheques
- Money orders
- Traveller’s cheques
- Bank drafts
- Credit card or Debit slips



- Cash received in the department represents income/ expense recovery and should be deposited in the appropriate accounts.
- Cash Receipts should not be used for expenditures or to supplement petty cash.
- Cash Receipts for key deposits should be recorded in a vendor account established by Accounts Payable. See Guide to Financial Management - Chapter 3, Section 3.6.

Responsibility for Processing



- Prior to deposit, certain procedures (referred to as **processing**) related to the verification and classification of the receipts must be carried out.
- Processing of receipts is carried out by designated departments. These departments also complete the forms from which the deposit information is input to the accounting records. These departments are referred to as the **processing departments**.
- In some situations miscellaneous cash receipts (those not identified for processing by a particular processing department) are deposited directly to the bank. In these cases the department receiving the cash effectively becomes the processing department.

Processing Departments



Government operating and capital grant installments	Planning & Budget Dept. (P&B)	Forward with all related documentation. See http://www.utoronto.ca/planning/
Payment of UofT Invoices	Financial Svcs Dept - Accounts Receivable (FSD – A/R)	Forward with copy of invoice. See http://www.finance.utoronto.ca/gtfm/revexpress/express/ar.htm
Donations	Division of University Relations (DUA)	Forward with completed Gift Processing Form. See http://www.advancement.utoronto.ca/s/731/corpchannel.aspx
Research grant or contract installments	Research & International Relations (RIS)	Forward with all related documentation. See http://www.finance.utoronto.ca/gtfm/cash/cashier.htm#dept
Miscellaneous cash receipts	Various departments	Recipient department processes the Cash Receipt. See http://www.finance.utoronto.ca/gtfm/cash/cashier.htm#dept

Maintaining Cash Security



- All receipts received in a department are the responsibility of that department until they are delivered to the Cashier's Office or a CIBC branch. They must be kept locked in a safe location.
- All deposits should be recorded in a log book. Each log book entry should be updated with the deposit number after the signed receipt is received back from the Cashier.
- Where possible, the responsibility for logging the receipts should be segregated from the responsibility of preparing the deposit form and recording the deposits on-line.
- A receipt should be issued for all **cash** received, identifying the date, amount and payor.



Making Timely Deposits

Deposits should be made daily in the interest of:

1. Security

Cash on the premises carries the risk of theft.

2. Economics

Cash generates investment income for University operations **only** from the time it is banked.

3. Public Relations

Delays in depositing cheques sends a negative message to the payee (e.g., The money is not really needed by the University.)

4. General Processing Considerations: (see next slide)

General Processing Considerations



- **A log book must be kept for recording cash and cheques on the day they are received. This log book is mandatory for insurance and audit purposes.**
- **Order a cheque endorsement stamp with facilities for changing the deposit number and restrictively endorse all cheques as soon as they are received.**
- **Personal cheques are only valid for 6 months. They then become *stale dated* and are returned by the payee's bank as invalid for payment.**
- **NSF cheques are more likely to occur with cheques not deposited immediately and are more easily rectified with the payee if corrective action is taken immediately after receipt.**
- **Accounts are closed and payees change banks over time rendering the cheque invalid.**

Processing Deposits



1. Preparing cash receipts for deposit with the Cashier or directly with the bank
2. Preparing the deposit report for deposit with the Cashier or directly with the bank
3. Processing the deposit in FIS
4. Delivering the report to the Cashier's Office
5. Verifying deposit and accounting records



Forms are available at:

<http://www.finance.utoronto.ca/forms/processing.htm>

Step 1.a.i. Preparing Cheques for Deposit with the Cashier



This refers to personal cheques, certified cheques, money orders, traveller's cheques and bank drafts.

- A separate report is required for each type of currency.
- Review all personal cheques for correct content including date (personal cheques are invalid after 6 months), payee (must be the University of Toronto), body & figure amounts must agree and the payor's signature.
- Do not alter cheques. Alterations can only be made by the payor and they must be initialed.
- All cheques must be endorsed "For Deposit only to the Account of The Governing Council, University of Toronto".



Step 1.a.i. Prepare Cheques for Deposit with the Cashier (cont'd)

- Do not deposit more than 200 cheques per deposit.
- An adding machine tape bundled with the cheques may be provided rather than listing them individually on the report.
- With cheques for the same amount, the quantity x amount may be entered (e.g., 10 X \$50.00 = \$500.00). If listing more cheques than the form has space for, list the cheques on a separate sheet and enter *See Attached* on the form.
- For foreign currency cheques other than USD, contact the banking clerk (416-978-2144) for instructions on how to proceed.

Step 1.a.ii. Preparing Cash for Deposit with the Cashier



- Only Canadian and US cash is accepted by the Cashier's Office. All other cash should be converted to Canadian currency prior to delivery to the Cashier's Office.
- A separate report is required for each type of currency.
- Arrange bills face up in ascending order (from lowest to highest) denomination.
- Bundle bills of same denominations in bundles of 50 bills and secure with one elastic.

Step 1.a.ii. Preparing Cash for Deposit with the Cashier (cont'd)



- All coin, regardless of US or Canadian currency, is treated as Canadian currency.
- Roll coin wherever possible. Include one and two dollar coins with the coin amount.
- Any loose coin that does not complete a roll should be separated by denomination into envelopes with the amounts listed on the front.
- Rolled coin is very heavy so should be deposited regularly in amounts of less than \$200.00.

Step 1.a.iii. Preparing Credit card slips and debit slips for Deposit with the Cashier



This refers to VISA and direct debit slips.

- Bundle the VISA slips with their respective merchant sales recap slips individually in envelopes (if not using POS) or print POS transaction summary.
- If there are more than 9 drafts, include an adding machine tape of the amounts and enter *As Listed* on the merchant sales recap slips.
- The department retains the merchant copy.
- Enter the total amount of the credit card sales on the deposit report in the cheque portion of the form.
- NOTE: Mastercard transactions are deposited directly at the Bank of Montreal and not accepted by Cashier.

Step 1.b. Preparing Deposit for Direct Bank Deposit



This refers to personal cheques, certified cheques, money orders, traveller's cheques and bank drafts, cash, CIBC VISA, MasterCard BMO, MasterCard TD & Canada Trust and direct debit slips.

- Review all personal cheques for correct content including date (personal cheques are invalid after 6 months), payee (must be the University of Toronto), body & figure (amount) must agree and the payor's signature.
- Do not alter cheques. Any alterations must be done and initialed by the payor.

Step 1.b. Prepare Deposit for Direct Bank Deposit (cont'd)



- All uncertified personal cheques should have **positive identification** noted on the reverse side.
- **All cheques must be endorsed:**
For Deposit only to the Account of The Governing Council,
University of Toronto University of Toronto
Canadian Imperial Bank of Commerce
Commerce Court Main Branch
Toronto, Ontario
- Where applicable your **Rapid Trans** account should also be noted in the endorsement
- A separate deposit is required for each type of currency.

Step 1.b. Prepare Deposit for Direct Bank Deposit (cont'd)



- In most cases only Canadian and US cash is accepted at the bank. In cases where US currency is deposited, the bank will enter the exchange amount on the deposit slip on the *Plus/minus exchange* line.
- All other cash should be converted to Canadian currency prior to delivery to the bank, contact the Cashier's Office at 416-978-2144 for further details.
- The Bank Deposit Form is a 3 part form. Enter the deposit number on the bank deposit slip and in the log.
- Prepare an adding machine tape of all cheques and cash and attach to the deposit slip.



Step 1.b. Prepare Deposit for Direct Bank Deposit (cont'd)

- The total of cheques and cash is entered on the deposit slip. This amount should agree with the corresponding log book total.
- The bank will stamp the deposit slip and retain the third part.
- The white (top) copy should be attached to the original Deposit Report forwarded to the Cashier's Office.
- The newsprint copy should be attached to the Department's copy of the Deposit Report.

Step 2 Prepare the Deposit Report



- a. For Deposits with The Cashier, an Internal Cash Receipt Deposit Form must be completed and can be obtained from Financial Services Department or on-line on the Financial Services Website at:
<http://www.finance.utoronto.ca/forms/processing.htm>
- b. For Direct Deposits, a Direct Bank Deposit Form must be completed and can be obtained from Financial Services Department or on-line on the Financial Services Website at:
<http://www.finance.utoronto.ca/forms/processing.htm>



Step 2.a. Internal Cash Receipt Deposit Form

The form is divided into 6 sections.

1. Document header information

2. Cheque information

3. Cash information

4. Cashier's information – deposit G/L and total

6. Departmental information and verifying signatures

5. Departmental account information

To: Cashiers Office Financial Services Department 215 Huron St.		Doc. date: _____ Posting date: _____ Doc. Type: SF	Company Code: UOFT Currency: _____	FIS Doc. # _____						
Payer Name or Cheque Grouping		Amount	Payer Name or Cheque Grouping		Amount					
					Cash					
					X 5					
					X 10					
					X 20					
					X 50					
					X 100					
					COIN					
					Total Cash					
					\$ -					
					Total Cheques					
					\$ -					
					Total Deposit					
					\$ -					
DEBIT POSTKEY	G/L Account	Enter 350001 for CAD deposits or 352001 for USD deposits	Amount	Bus Area	Allocation (Dept Name & Phone #)	TEXT (Description)				
40		Only one currency per deposit	\$ -	1000						
CREDIT POSTKEY	G/L ACCOUNT	AMOUNT	TAX CODE	BUSINESS AREA	COST CENTRE OR	INTERNAL ORDER	COMMITMENT ITEM	FUND	C/F CENTRE	TEXT (Description)
50										
50										
50										
50										
50										
50										
Total Deposit:		\$ -								
Deposit is balanced										
Deposit Prepared By:			University Address:			Cashier's Receipt				
Department:										
Telephone:			Date:							
Signature of Delegated Signing Authority				Title of Delegated Signing Authority				ONE (1) COPY FOR ORIGINATING DEPARTMENT TWO (2) COPIES TO FINANCIAL SERVICES		

Step 3 Processing Deposits in FIS



Deposits are entered into the accounting system by processing a journal entry which debits one or more general ledger accounts for deposits and credits one or more departmental accounts for revenues or expense recoveries.

Menu Path: Accounting >> Financial accounting >> General Ledger >> Document Entry >> G/L Account Posting

Transaction Code: FB50

Step 3.1 Document Header



Document date and Posting date are the same (today's date).

In the *Reference* field, enter the departmental log book number for the cash receipt. The *Shrt txt* field should reflect the purpose or source of the cash receipts.

Enter G/L account document: Company code UOFT			
Tree on Company Code Hold... Simulate Park Editing options			
Basic data Details			
Doc date	29.01.2003	Currenny	CAD
Posting date	29.01.2003	Period	9
Reference	BOT 56567		
Shrt txt	Bot Assoc Conference 2003		
Doc type	SF G/L account document		
Cross-comp.no.			
Company code	UOFT University of Toronto		
Total deb.		0.00	CAD
Total cred.		0.00	CAD

Select *Currency* from drop down matchcode or enter the 3 character abbreviation.

Make certain Document type SF is selected.

Step 3.2.a. Cashier's Line Items



The deposit line item(s) to the Cashier are the debit entry(s).

Status	G/L acct	Short text	D/C	Amount ...	Co...	Tax...	Busines...	Cost center	Order	Funds cent...	Fund	Commitment ...	Assignment...
✓	350001	DepositTr...	S Deb...	107.00	UOFT		1000					CASHINTRNS	Botany 8-0000
					UOFT								
					UOFT								
					UOFT								
					UOFT								

Select the **G/L account** from the Internal Cash Receipt or Direct Deposit form.

Enter the total amount for that particular G/L account.

Enter the **Business area 1000**.

Enter the departmental name and contact for the deposit in the **Assignment** field.

G/L short text and commitment items default. No other account information is required on this line item.



Step 3.2.b. Departmental Account Line Items

The departmental account line item(s) are the credit entry(s).

Status	G/L acct	Short text	D/C	Amoun...	Co...	Tax...	Busin...	Cost center	Order	Funds cent...	Fund	Commitment...	Assignment...	Text	Earmarked...
✓	350001	DepositTr...	S Deb...	107.00	UOFT		1000					CASHINTRNS	Botany 8-000		
	750200		H Cre...	107.00	UOFT 04			11181		100464				Botany Assoc Conference 2003-Prof. White UBC	
					UOFT										
					UOFT										
					UOFT										

G/L acct indicates which G/L account this transaction is to be recorded against. See 3.2.b.i for search instructions.

Enter the total *Amount* for that line item.

Enter the appropriate *Tax code*. See Step 3.2.b.ii. For search instructions

Enter the departmental accounts to be credited for the deposit.

Enter detailed *Text* which appears in statements and reports. See Step 3.2.c.

G/L short text, business area and commitment items default.

Step 3.2.b.ii. Using the Match code to select tax codes on-line



Click on the drop down match code next to the tax code text field to access the selection screen.

Co...	Tax code	Busin...
UOFT		1000
UOFT		

Select the applicable sales tax code.

Tx	Description
I8	PURCH. GST 0%, OST 8%
I9	PURCH. GST EXEMPT, OST 8%
IC	PURCH. GST ITC, OST 8%
ID	PURCH. GST ITC, OST 0%
IE	EMPL. EXP. REIMB FOR MEALS/ACCOM IN CANADA
IX	PURCH. 67% GST REBATE, OST 8%
J1	PURCH. 0% GST REBATE, OST 8% S/ASSESS
J2	PURCH. 0% GST REBATE, OST 5%
J3	PURCH. 67% GST REBATE, OST 8% S/ASSESS
J4	PURCH. 67% GST REBATE, OST 5%
J5	PURCH. GST 0%, OST 8% S/ASSESS
J6	PURCH. GST EXEMPT, OST 8% S/ASSESS
J7	PURCH. GST EXEMPT, OST 5%
J8	PURCH. GST ITC, OST 8% S/ASSESS
J9	PURCH. GST EXEMPT, OST 0%
K1	PURCH. 83% GST REBATE, OST 8%
K2	PURCH. 83% GST REBATE, OST 0%
K3	PURCH. 83% GST REBATE, OST 8% S/ASSESS
L1	PURCH. 83% GST REBATE S/ASSESS, OST 8%
L2	PURCH. 83% GST REBATE S/ASSESS, OST 0%
L3	PURCH. 83% GST REBATE S/ASSESS, OST 8% S/A
00	SALES GST 0%, OST 0%
01	SALES GST 100% REMIT, OST 8%
04	SALES GST 7%, OST 0%
05	SALES GST 7%, OST 10%
06	SALES GST 0%, OST 8%
07	SALES GST EXEMPT, OST 0%
08	SALES GST 7%, OST 5%
09	SALES GST EXEMPT, OST 8%
0A	SALES GST 7%, OST 8%
0B	SALES GST EXEMPT, OST 10%
0C	SALES GST EXEMPT, OST 5%
0F	SALES GST 100% REMIT, OST 0%

Use the scroll bar to scroll down to revenue tax codes.

Step 3.2.c. Using the Assignment field



The *Assignment* field can be used by the department for tracking/ reporting purposes. As this field can be reported on, it is a useful tool for managing information in the system. Specific uses for the *assignment* field will be covered in the A/P course or you can contact your FAST Team representative if you would like to explore this feature further. If nothing is entered, the document posting date defaults from the system once the document is posted. A maximum of 18 characters is permitted in the *Assignment* field.

Assignment no.	Text	Earmarked funds
18 characters	50 characters	Manual res

Manual reserves cannot be used in conjunction with deposits.

The *Text* field should be used to provide as much detail as possible about the posting. This text appears in month-end statements and reports and aids in reconciling accounts. A maximum of 50 characters is permitted.



Step 4 Deliver the Deposit Report to the Cashier's Office

The Cashier's Office location is:

Financial Services Department
2nd floor, 215 Huron Street
University of Toronto M5S 1A2

Telephone 416-978-2144

Business Hours are 8:45 to 5:00 pm, Monday to Friday.

If there is actual cash in the deposit, use a Securicor, tamper-proof plastic container which is available at the Cashier's Office counter and log the deposit in the log book located at the counter. **NEVER send cash through Campus Mail.**

All deposits and deposit reports (internal and direct) are to be put through the Deposit for Cashier Only mail slot.

Include a self-addressed envelope for verified deposit form return.

Step 4 Deliver the Deposit Report to the Cashier's Office (cont'd)



Internal Cash Receipts

Two copies of the Internal Cash Receipts Deposit Form must be delivered to the Cashier's Office with the cash receipts. Do NOT send cash through campus mail. The cashier will stamp the copy and return it to your department in the envelope you have provided in the package. This stamped copy must be kept on file and will serve as the internal audit trail for the deposit.

Direct Deposits

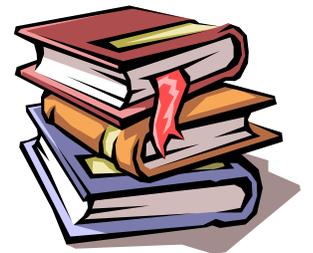
Two copies of the Banking Report – Direct Bank Deposits Only must accompany the corresponding bank deposit slip to the Cashier's Office. This may be sent by Campus Mail.

The cashier will stamp the copy and return it to your department in the envelope you have provided in the package. This stamped copy must be kept on file and will serve as the internal audit trail for the deposit.

Step 5 Verify Deposit and Accounting Records



- The final step in ensuring that cash assets are safely deposited and accurately recorded is the accounting record.
- Review the accounting record in FIS to ensure deposits have been credited to the correct accounts.
- Ensure that the copy of the deposit record displaying the Cashier's stamp or the bank's stamp is kept on file in the department.
- Use the deposit record returned from the Cashier's Office with the Cashier's stamp for month-end reconciling. This is the report required by Internal Audit for record keeping.
- If errors have occurred or the deposit does not appear in reports, contact the Cashier's Office immediately at 416-978-2144.





Arranging for Deposits Through P.O.S. Device

A Point of Sale device electronically processes credit card and debit card transactions. The device obtains authorization for the transaction and prints a receipt with the transaction details.

To make arrangements to obtain one of these devices contact Russell Smith of the Financial Services Dept at 978-2511 or russell.smith@utoronto.ca.

Line Item Icons



	Displays details of the line item. Select item to display.
	Select all line items.
	Select a block of line items.
	De-select all selected line items.
	Insert a blank line.
	Insert a screen full of blank lines.
	Delete a line item.
	Copy (duplicate) a line item. Select line to copy.
	Copy fields to other line items. Select fields & line item.
	Sort fields in ascending order. Select a column to sort.
	Sort fields in descending order. Select a column to sort.

Document Icons



 Tree on	Turns on the tree that displays account assignment templates, held documents and parked documents depending upon which screen you are in.
	Refreshes the list of documents displayed in the tree.
 Tree off	Turns off the display tree.
 Hold...	Holds the document.
 Simulate	Displays the document in overview mode and displays tax implications.
 Park	Parks the document for electronic signature.
 Editing options	Displays the document type in the header data.
	Displays all details of the line item. Select item to display.

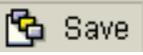
Document Icons (cont'd)



 Reset	Resets the document to the <i>Enter G/L account document</i> screen. Delivers the warning "Automatically created line items will be deleted" which deletes any automatically created tax assessments (e.g., GST rebate).
 Taxes	Displays data about tax assessments including GST rebate.
 Complete  Save as completed	<u>DO NOT USE</u> . Complete does not post a document but records actuals and reduces funds available. <i>Completed</i> documents must be posted for payment to occur.
	Filters the line items according to user-specified criteria.
	Sorts the line items in ascending order by column selected.
	Sorts the line items in descending order by column selected.
	Opens up the current display variant window.
 Choose	Chooses an already created display variant.

Document Icons (cont'd)



 Save	Saves the current display variant for future use.
	Totals the amounts for all line items.
	Subtotals line items according to column selected.
	Sends an e-mail message to a selected user.
	Saves the current document to a local spreadsheet file.
	Saves the current document to a local word processing file.
	Not available at this time.
 ABC	Not available at this time.
 Post	Posts a previously parked or held document.
	Provides information on the line items displayed in the document list.

WEB Documentation



- Reference Guides

<http://www.finance.utoronto.ca/fast/qrg.htm>

- Financial Forms

<http://www.finance.utoronto.ca/forms/processing.htm>

- Policy & Documentation

<http://www.finance.utoronto.ca/gtfm.htm>

- Glossary of Terms

<http://www.finance.utoronto.ca/fast/glossary.htm>

Need Help?

<http://www.utoronto.ca/ams/help.htm>

Help is a facility for all AMS subsystems:

- Use the WEB form found at the above address
- Select appropriate AMS module (e.g., FIS)
- Complete information required on the form
- Click on “**Send it!**” button

FIS mail box is monitored **Monday to Friday**
9:00 a.m. - 5:00 p.m.

FAST Team Contacts

Manager	Lorena Gaudio lorena.gaudio@utoronto.ca	978-2802
Assistant Manager	Chris Dimitriadis chris.dimitriadis@utoronto.ca	946-3153
Business Analyst	Cheryl Rhind cheryl.rhind@utoronto.ca	946-3373
Business Analyst	Maryanne McCormick m.mccormick@utoronto.ca	TBA
Business Analyst	Elizabeth Zammit elizabeth.zammit@utoronto.ca	946-3291
Business Analyst	Neil Gonputh neil.gonputh@utoronto.ca	978-4042
Business Analyst (Training Coordinator)	Rames Paramsothy rames.paramsothy@utoronto.ca	978-4675

FIS Standard Curriculum Evaluation:

<http://www.finance.utoronto.ca/fast/training/fissceval.htm>

FAST website:

<http://www.finance.utoronto.ca/fast.htm>