

Cash Operations Manual - Security

A. GENERAL POLICIES

1. The level of security necessary at each cash handling location depends on the level of risk at that location. For example, the level of risk is generally higher at the central cash collections point of the University (Treasury Services) than in an individual academic department that occasionally receives cash.

To evaluate the level of risk at each location, the following factors should be considered:

- a. Amount of money involved
 - b. Geographic location
 - c. Hours of operation
 - d. Past loss experience
 - e. Number and kinds of employees
2. In general, all cash should be kept in a fire-resistant storage container (safe, chest, cabinet, desk, lockbox) that is equipped with at least one locking device and preferably cannot be easily removed from the premises.
 3. The department head has overall responsibility for ensuring that adequate security is maintained over cash and other assets.

B. GENERAL PROCEDURES

Departments receiving cash on behalf of the University are responsible for maintaining security over cash, as well as other property.

Proper handling, adequate records, and physical security should be emphasized to each employee having access to or responsibility for cash, merchandise, supplies, or equipment. These general guidelines are important and should be communicated to each employee:

1. Unauthorized persons are not permitted in areas where cash is handled.
2. Doors should be locked at all times in areas where cash is handled. Safe doors should be kept closed (not necessarily locked) during working hours and should be locked at all other times. Large sums of cash should be counted and handled out of sight of the general public.

3. Cash should never be left unattended. This applies to cash registers and desk tops. If an employee leaves his or her work station for any reason, regardless of how briefly, cash must be appropriately secured in a locked place.
4. Checks should be restrictively endorsed immediately "For Deposit Only, to the credit of the University of Kentucky (or appropriate affiliated organization).

C. TRANSPORTING FUNDS

Cash may be transported to Treasury Services by individuals, security guards, or an armored car service. Never send checks, cash or coin in the University or U.S. mail.

It is the responsibility of the Office of the Treasurer (main campus) or the Business Officer of an out-of-town organization to determine the circumstances under which the use of security guards, local or campus police or an armored car service is required. The University's armored car service transports money daily to and from major cash collection centers (e.g., Medical Center, Student Billings, Athletics Association) and Treasury Services.

Individuals transporting cash should place it in bags, backpacks, etc., that are not obviously cash containers. If they are carrying large sums of cash they should be accompanied by another employee, but it is not recommended that individuals transport large sums of cash.

If the level of risk is such that the department head believes there is a need for protection on an ongoing basis, he or she should contact the Office of the Treasurer. Departments that do not frequently transfer cash to other locations or banks must still ensure that adequate security is provided when such transfers become necessary.

When exceptionally large sums of cash are handled, possibly by temporary employees (e.g., during registration or book sales), security must be at a maximum. It may be necessary to obtain security guards on site for such occasions.

D. SAFEKEEPING DEVICES

All cash should be kept in a safekeeping device, either a safe or locked container.

1. Proper Use Procedures

During business hours, safe doors should be closed when the safe is in use, and locked when it is not in use. At all other times, safes should be kept locked.

- a. All cash drawers and cash registers must be kept locked when not in use. During regular business hours they must be locked when an employee is away from the work station, regardless of how briefly.

- b. Cash secured in a safe overnight, over a weekend, or over a long holiday must be kept to a limited reasonable amount.
- c. Personal cash and property cannot be secured in a University safe except for those of patients in the University medical facility.

2. Procedures for Using the Night Depository

The Office of the Treasurer has established a night depository located at the Campus Police Department (305 Euclid Avenue). The night depository is to be used only when it is not possible to make deposits with Treasury Services during normal operating hours. The following procedures should be followed when it is necessary to use the night depository:

- a. Locked money bags are to be used for all deposits to the night depository. (These bags may be obtained from Treasury Services, for recurring use, and from the Police Dispatcher's Office for emergency use.) Money bags will have two keys; one will be retained by the individual making the deposit and the other key will be kept in Treasury Services.
- b. All deposits are to be supported by a completed transmittal form.
- c. The night depository is located at the back of the "Police" entrance to the Campus Police Department. After 5:00 pm you will need to buzz the intercom at the entrance to get access to the night depository area. When making deposits the night depository receipt log (maintained at the Police Dispatcher's Office) must be signed. The dispatcher will then provide the key to allow you access to make the night deposit. That key is then returned to the dispatcher.
- d. Keys to retrieve the night deposit are available in the Parking Department (located in the same building) and can be obtained from the office of the Associated Director for Parking or the Budget Officer for Parking. The next morning the deposit should be retrieved from the night depository, transmittal forms prepared and the deposit made at Treasury Services. A copy of the transmittals with a "PAID" stamp will be returned to the person making the deposit.
- e. To ensure the safety of the persons using the night depository, it is suggested that he or she notify the Police Dispatcher's Office prior to making the deposit.

3. Minimum Standards for Safekeeping Devices

Safes must be equipped with a combination lock and other safekeeping devices (e.g., chest, cabinet, desk, lockbox) must be equipped with a combination lock or a key.

Transportation containers must incorporate a locking or sealing device that can be unlocked or unsealed only by authorized personnel.

4. Control of Safe Combinations

These procedures must be followed to maximize security over cash:

- a. Safe combinations are to be given to a minimum number of employees and only to those whose functions require access to cash.
- b. No one employee should have access to both a key to a door to an office and the safe combination. Where this is not possible, the supervisor must personally exercise control to maintain the proper level of security over cash.
- c. To the extent practicable, combinations are to be memorized and are not to be written down.

E. OPENING SAFES

Safes are to be opened in such a manner that no other person can observe and determine the combination.

- a. The combination must be changed when a person knowing it is no longer to have access to the safe.
- b. Each department having a combination safe must establish and maintain a record of each person given the combination, dates the combination was changed, and the reason for the change.

F. CASH REGISTER CONTROLS

Cash register funds must be secured. During business hours, unattended cash registers containing cash must be locked and the key removed. During non-business hours, cash register funds must be secured in a safe and the cash register drawer left open.

At a minimum, each new or replacement cash register must include these features or capabilities:

1. Production of a customer receipt tape.
2. Automatic imprint of consecutive numbers on both the register tape and the customer receipt tape.
3. Ring-up windows visible to both the customer and cashier.

4. Separate lockable cash accumulating key, cash register drawer, and cash drawer insert for each cashier.

G. PRACTICES TO MINIMIZE OR RECONSTRUCT LOSSES

The following practices are essential to minimize or reconstruct losses:

1. All checks should be immediately recorded on a check transmittal form or otherwise receipted following procedures in section E-2-4. This accounting detail should provide the information necessary to obtain replacement checks.
2. Individuals should keep working funds to an absolute minimum at all times. All other funds should be in a locked device. Excess cash accumulated during the day may be reduced by making more than one cash deposit per day with Treasury Services.

H. CASH STORAGE

To reduce excess funds in individual safes overnight or for longer periods of time, funds may be transferred to the campus police night depository. See E-2-6-D, “Procedures for Using the Night Depository”.

1. Access to areas where cash is counted or handled must be restricted to persons directly involved. Visibility by the general public must be restricted in areas where large amounts of money are counted.
2. Where a cash storage location is laid out so as to permit viewing into the office, sufficient lights must be left on at night to permit visibility. Any dark office should be reported to campus police.
3. The following opening and closing procedures of cash storage devices should be followed:
 - a. Two persons should be present at all openings and closings of cash storage devices, including the opening and counting of change orders received from the bank. Where this control procedure cannot be exercised, because there is only one employee, the supervisor of the respective cash handling location must personally exercise control to maintain the proper level of security to minimize potential losses.
 - b. Unattended cashier stations must be kept closed and the registers locked, with key removed, even when a cashier closes down for a relief period.
 - c. If a cash register is empty, the drawer should be left open.

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- d. All doors, windows, or other entrances must be securely locked and all alarms turned on.

I. OVERNIGHT SAFEKEEPING

1. Cash must be transferred to the campus police or local bank overnight depository (See E-2-6-D-2) when:
 - a. Cash is received too late to prepare and deliver transmittal forms to Treasury Services or the Business Office for an out-of-town location and the total amount of funds on hand creates an excessive risk exposure.
 - b. The regular safekeeping facility (e.g., the safe or lockbox) is not available to secure funds because it is after normal business hours. A facility is subject to increased risk exposure as a result of such conditions as a long holiday closing or a civil disturbance.
2. In certain locations cash (for example, change funds) is delivered to a central location for safekeeping after working hours. A transfer of cash for temporary safekeeping does not involve a transfer of responsibility for effective control of the cash. Standards for maintaining effective control include: all cash must be counted prior to deposit for safekeeping and again immediately upon their return; records must be kept of all transfer transactions; receipts are required when cash is deposited and when it is recovered.
 - a. Only containers that can be locked by key or combination, or are sealed, may be used. Keys and combinations should be restricted to persons responsible for the cash.
 - b. All containers used for safekeeping deposits must be labeled in such a way as to be individually distinguishable.
 - c. Cash deposited for safekeeping must not be surrendered without verification of the identity of the person requesting the cash.
 - d. The transportation standards described earlier in this section should be followed when transferring cash for safekeeping.