

Cash Operations Manual - Responsibilities for Cash Operations

A. AUTHORITY AND RESPONSIBILITY

The authority and responsibility for establishing policies and procedures and defining appropriate internal controls (accounting and administrative) for cash activities at the University of Kentucky are assigned to the Office of the Treasurer (OT). In turn, the OT has delegated cash receipt responsibilities to all University departments, administrative offices, and affiliated organizations.

The Office of the Treasurer has overall responsibility for all cash operations, with ultimate responsibility for the collection, control, and custodianship of all funds of the University of Kentucky. In this regard, the OT has specific responsibility to:

1. Establish and enforce policies and procedures governing the receipt, handling, custody, and disbursement of funds.
2. Require the establishment and maintenance of records giving full account of monies received and paid by the University.
3. Request audits of any aspect of the cash receiving and handling functions of the University.
4. Authorize banking depositories to be used for University funds (Refer to E-2-7, "Establishing Outside Banking Relationships").
5. Establish and terminate imprest cash funds and set limits on the amount and use of such funds (Refer to E-2-5, "Imprest Cash Funds").
6. Establish and enforce minimum security standards applicable to all University cash handling operations (Refer to E-2-6, "Security").

The OT defines administrative policies and procedures and prescribes internal controls relating to cash operations. These policies, procedures, and controls are required to be observed by every University department, administrative office, and affiliated organization involved in cash handling. It is the responsibility of the Provost, Executive Vice President for Finance and Administration, Executive Vice President for Research, or the Executive Vice President for Health Affairs to ensure that cash operations over which he or she has control are operating in accordance with the policies set forth in this manual.

B. DELEGATED RESPONSIBILITY

All departments, administrative offices, and affiliated organizations of the University that handle cash accept responsibility to:

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1. Receive funds and deposit them in accordance with the daily deposit policy with Treasury Services or the Business Office of out-of-town locations.
2. Supervise all cash activities so that all funds received are properly recorded and deposited in accordance with University policy and procedures.
3. Ensure that proper records are maintained and that entries are made promptly and properly.
4. Ensure that all funds are adequately safeguarded.
5. Conduct periodic reviews of their cash activities to determine that all systems are functioning as intended and that all applicable University policies and procedures are being followed.

Treasury Services has been designated as the central collection and control point for cash. All cash collected by University departments in Lexington should be forwarded to Treasury Services in accordance with the cash receipts procedures outlined in E-2-4. Treasury Services has the responsibility to collect, control, and maintain records for all campus funds.

Out-of-town units will deposit cash daily with their local bank and will inform Treasury Services of all cash received, in accordance with the procedures outlined in E-2-4.

C. INDIVIDUAL RESPONSIBILITY

Responsibility for handling cash is assigned to individual employees who participate in any cash function and to their supervisors. Any employee who handles cash is absolutely responsible for that cash. A supervisor of any employee who handles cash is responsible for ensuring that proper and reasonable safeguards are followed.

Each employee involved in cash operations assumes the responsibility for full and true reporting of all funds received.