

1.0 POLICY

Grant MacEwan University shall safeguard the University's cash, cash equivalents and investments.

2.0 RATIONALE AND GUIDING PRINCIPLES

2.1 Purpose

The purpose of this policy is to provide direction on matters related to the timely movement and management of cash and cash equivalents.

2.2 Rationale and Guiding Principles

2.2.1 Prudent cash management activities and practices mitigate risk, satisfy audit requirements and ensure the safeguarding of MacEwan assets.

2.2.2 Principles that guide the management of cash and cash equivalents at MacEwan:

2.2.2.1 are consistent with Generally Accepted Accounting Principles (GAAP) and comply with relevant legislation;

2.2.2.2 demonstrate fiscal accountability and maximize utilization of available resources; and,

2.2.2.3 are consistent with MacEwan's strategic goals, directions, plans.

3.0 SCOPE AND DEFINITIONS

3.1 Scope

This policy applies to all individuals who administer cash, cash equivalents and investments on behalf of the University.

3.2 Definitions

3.2.1 **Cash equivalents** are all forms of payments received by the University including cheques, money orders, bank drafts, debit cards, credit cards and any electronic refunds or transfers.

3.2.2 **Cash float** is a fixed sum of money for the purpose of providing change in cash-based transactions in conjunction with a point-of-sale terminal.

3.2.3 **Custodians**, for the purpose of this policy, are defined as individuals charged with guarding, safekeeping and administering cash funds.

3.2.4 **Executive officer** means the president, vice presidents and equivalent positions.

3.2.5 **Liquidity** is the ability of an asset to be converted quickly to cash without a material loss of value.

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3.2.6 **Officer** means the president, vice presidents and equivalent positions, deans, directors and equivalent positions.

3.2.7 **Petty cash** is a small amount of money held by departments for small operating and administrative expenses.

4.0 REGULATIONS

- 4.1 Funds required for cash liquidity shall be deposited in a Canadian financial institution that has been selected through a competitive bidding process.
- 4.2 The banking service agreement entered into shall be for a term of five years with up to a two year renewal option.
- 4.3 Personal information associated with the deposit of cash must be secured to protect privacy in accordance with the Alberta Freedom of Information and Protection of Privacy Act (FOIP).
- 4.4 All transactions related to cash shall be reconciled centrally in the department responsible for financial services except donations. Reconciliation of donations will be centralized in the department responsible for fund development.
- 4.5 All cash must be safeguarded in a locked safe or other secure location with limited access prior to deposit.
- 4.6 All cash received by the University must be deposited in the proper University bank account within 24 hours.
- 4.7 The department responsible for financial services shall ensure guidelines are in effect to ensure sufficient liquidity is maintained.
- 4.8 Funds, credit cards and bank accounts are set up based on a business need and where the volume is sufficiently large enough to justify.
- 4.9 Cash transactions shall not be used to substitute or circumvent prescribed procurement approvals and procedures.
- 4.10 Proper audit trails must exist for all cash transactions as referenced in policy D3420 Cash Internal Controls.
- 4.11 The executive officer responsible for University Services is responsible for approving the opening and closing of bank accounts.
- 4.12 The department responsible for financial services is responsible to:
 - 4.12.1 maximize interest and return on investment on bank account balances;
 - 4.12.2 ensure that cash and cash equivalents not immediately required for operational purposes, are invested according to policy D3011 Investments;
 - 4.12.3 ensure regular and timely reconciliations of all bank accounts and cash funds;
 - 4.12.4 control and approve all cash floats and petty cash funds;

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- 4.12.5 perform annual random audits on all petty cash funds and cash floats;
- 4.12.6 report on cash flow; and
- 4.12.7 implement this policy and develop related procedures.
- 4.13 Custodians are responsible to:
 - 4.13.1 adhere to policies, procedures and legislation related to cash and cash equivalents;
 - 4.13.2 exercise reasonable care in screening cash transactions for counterfeit currency; and
 - 4.13.3 ensure deposits are correctly coded to the appropriate accounts as established by the department responsible for University financial services.
- 4.14 University departments or units responsible for cash balances are responsible for reconciling deposits to financial reports on a timely basis. The department responsible for financial services is responsible for monitoring these reconciliations.
- 4.15 The executive officer responsible for University Services is accountable for executive oversight of this policy.
- 4.16 The chief financial officer (or designate) is responsible for the implementation of this policy and for overseeing the development of operational policies and procedures to support this policy.
- 4.17 Responsibility for compliance with MacEwan policies and procedures extends to all members of the MacEwan community. Non-compliance may create risk for MacEwan and will be addressed accordingly (see clause 4.5.1 "Respect for the law and University governance" of the University's policy D1200 Code of Conduct – Employees for additional guidance.)

FACT SHEET

Relevant Dates

Approved:	2010.05.20
Effective:	2010.05.20
Next Review:	2013.05

Source

2010.05.20	This is a new policy approved by Board Motion 01-05-20-2009/10. (Replaces D3010 Banking)
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Accountability

Office of Accountability:	Vice President, University Services
Office of Administrative Responsibility:	CFO & Associate Vice President, University Services
Approved By:	Board of Governors
Contact Area:	Financial Services
Authority:	Alberta Freedom of Information and Protection of Privacy Act (FOIP)

Related and Associated Matters

Associated Policies & Procedures: D3000 Financial Management; D3011 Investments; D3700 Delegation of Signing Authorities; D3420 Cash Internal Controls

Related Policies: D7110 Fraud and Irregularities