

1.0 POLICY

Grant MacEwan University shall ensure appropriate internal controls exist on the handling and management of cash and cash equivalents at all levels of the University.

2.0 RATIONALE AND GUIDING PRINCIPLES

2.1 Purpose

The purpose of this policy is to provide direction on internal controls related to the movement of cash and cash equivalent resources.

2.2 Rationale and Guiding Principles

2.2.1 Due to the high-risk nature of this asset, internal controls over cash are essential at all levels of the University that handle cash or cash equivalents.

2.2.2 Internal control mechanisms provide management with a reasonable assurance that intended safeguards are being practiced consistently.

2.2.3 Cash internal controls are based on principles of common sense and prudent conduct relative to the use and proper safeguarding of University cash and cash equivalents.

3.0 SCOPE AND DEFINITIONS

3.1 Scope

This policy applies to all individuals involved in receipt of cash and cash equivalents or disbursement of cash refunds.

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

4.0 REGULATIONS

4.1 Department managers are accountable for cash under their control.

4.2 Only authorized personnel can handle cash.

4.3 Cash related transactions shall be:

4.3.1 properly approved;

4.3.2 fully documented so that an undisputable audit trail exists; and,

- 4.3.3 recorded promptly during each step of the cash handling function.
- 4.4 Numbered forms shall be used to document cash related transactions to enhance reconciliations and accountability.
- 4.5 Documents used in cash related transactions shall be safeguarded against re-use, tampering, or unauthorized disposal.
- 4.6 Cash related duties such as maintenance of accounts receivable, cashiering, accounting, disbursing and collecting funds shall be segregated.
- 4.7 Provisions shall be made for regular review and comparison of transaction documentations to detect errors and duplicate payments.
- 4.8 Cash related accounts shall be frequently reviewed and reconciled with subsidiary records.
- 4.9 The access to cash records shall be restricted and administratively controlled.
- 4.10 Employees assigned cash related duties shall be trained, and must ensure due diligence is practiced on all cash transactions.
- 4.11 Computer edit programs shall be used to the maximum extent possible to disclose or reduce the incidence of error in cash related transactions.
- 4.12 Cheques received in collections shall be endorsed upon receipt and collections shall be safeguarded until deposit is accomplished.
- 4.13 The executive officer responsible for University Services is accountable for executive oversight of this policy.
- 4.14 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. The development of such policies and procedures shall be undertaken in consultation with the officers responsible for areas of the University that handle cash and cash equivalents.
- 4.15 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 operational policy approved by Board Motion 01-05-20-2009/10.

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:

Related and Associated Matters

Associated Policies & Procedures: D3000 Financial Management; D3300 Internal Controls; D3400 Cash Management

Related Policies: D7110 Fraud and Irregularities