

Tennessee Tech University Student Organizations

Internal Control Practices and Recommended Cash Management Procedures

Due to the number of risks that can lead to financial losses within student organizations, the Office of Internal Audit has compiled this guideline to assist your organization with the collection of cash and checks, and the disbursement of funds.

General Money Management:

Each organization should delegate an officer of the organization who is responsible for the collection and disbursement of funds and the maintenance of books and records. No funds should be distributed to the officers or members of an organization for personal profit or gain.

Student organizations should consider requiring two signatures on any check written from organizational accounts. Checks should never be pre signed. An invoice or other appropriate documentation should always accompany a check request or cash disbursement.

In order to prevent embezzlement or theft, it is recommended that different officers or organizational leaders be responsible for receiving, depositing, recording, and reconciling the receipt of funds. The person taking the cash should not be the same person making and reconciling the deposit. This is known as Segregation or Separation of Duties. Be sure to record all transactions in an official check register or spreadsheet as they happen. Transactions include all deposits and all withdrawals from the account. More information will be discussed in the bank reconciliation section.

Always make sure that when officers and or signatory's change that the information at the bank is also changed.

one locking cash deposit box

- Deposit bags for large types of money
- A change fund
- A receipt book
- A counterfeit marking pen
- A check endorsement stamp if needed.

Prior to the event, a plan for transportation of money to/from the location of the event should be developed, and anyone designated to handle the collection of funds (cash custodian) for the event should be approved by the officers. A collection process should be developed. These items should be considered in the process:

Only one person per cash box

Log every transaction in a receipt book
Keep cash on hand at a minimum

If collecting checks:

Be sure the name on the check matches the ID of the person writing the check. Please note that it is always good to check the identification of the person writing the check.

Endorse the back of the check immediately with the check endorsement stamp or with "For Deposit Only"

Keep a separate log or

Here are the basic three steps involved to balance your checkbook:

Step 1 – As mentioned earlier make sure that all deposits and withdrawals are recorded in the check register or spreadsheet as they happen. This will help make balancing and reconciling your checkbook easier. Review the bank statement and update the check register or spreadsheet as necessary for items that appear on the bank statement, but have not yet have been recorded in the check register or spreadsheet. Be sure to record any interest earned and check the bank statement for any fees such as service charges, finance charges or other fees that need to be recorded as well.

Step 2 – Check off items in your check register that appear on your statement.

Make note of any checks and withdrawals that ~~statement~~ need

easier.