

Where Your Future Is Waiting

POLICY NUMBER: 5.013

Title: Cash Handling and Bonds & Crime

Effective Date: 02/10/2008

Last Review/Revision Date: 04/04/2023

Cash Handling and Bonds & Crime

PURPOSE

The Bonds and Crime Loss Control Program has been developed to protect Central Louisiana Technical Community College from financial and/or property losses resulting from any act and/or omission by any employee in the performance of his/her respective duties.

The purpose of the Bonds and Crime Comprehensive Loss Control Program is to:

- Assign responsibility for developing and managing fiscal controls within the Central Louisiana Technical Community College.
- Establish each individual's accountability for the performance of his/her duties in compliance with the agency's internal fiscal control program.
- Reduce the System's exposure and losses and to safeguard its assets.
- Maintain the public's confidence in the officials', appointees', and employees' abilities to conduct the System's business in an honest and professional manner.
- Protect assets against robbery and safe robbery.

All campuses within Central Louisiana Technical Community College must have both an awareness of and show a commitment to strong internal controls for cash receipts. The Chancellor, Vice Chancellor of Finance and Administration, and Campus Deans are responsible for establishing and maintaining the proper environment of internal controls. This environment is established by written procedures. It is maintained by **awareness** through regular communications between management and staff and through management's **commitment** by example and review.

Internal controls are necessary to prevent mishandling of funds and to safeguard against loss. Strong internal controls also protect employees from inappropriate

charges of mishandling funds by defining responsibilities in the cash handling process.

"Cash" includes coin, currency, checks, and money orders.

All campuses and departments collecting cash must address the cash receipt controls by developing, implementing, and enforcing procedures in support of these controls.

BONDS & CRIME COVERAGE

Fidelity Bonds: (Mandatory)

- The employees' Faithful Performance Blanket Bond covers loss sustained by insured because of dishonest or fraudulent acts of employees. "Faithful Performance" provides coverage for loss caused by failure of employee to perform duties faithfully. This bond is required by the state of Louisiana. There is a \$1,000 deductible for this coverage. Coverage is provided against loss through forgery or alteration of checks drawn by the insured.

Property Manager Bond: (Mandatory)

- This bond covers dishonest or fraudulent acts of failure to perform duties faithfully, in connection with the handling and control of the Department's property, resulting in loss to insured. This bond is required by revised statutes. There is a \$1,000 deductible for this coverage. This exposure is covered by Fidelity Bonds above.

Crime - Inside and Outside Premises; Money and Securities: Depositors, Forgery (Usually Secured by Combination Crime Policy): (Mandatory)

- This policy covers all perils except those that are excluded by the policy on money and securities within premises and outside premises while conveyed by messenger. Property other than money and securities are insured against robbery (not theft) or safe burglary. Coverage is provided against loss through forgery or alteration of checks drawn by insured. There is a \$1,000 deductible for this coverage.

PROPERTY DAMAGE

Property damage is inspected to determine severity and the effects on the use of the equipment or facilities. An Incident report is made employing the appropriate incident and inspection forms and the resulting reports are filed with the Office of Risk Management, the College Safety Officer, Property Manager. If the item is able to be repaired to operational standards then procedures are taken to bring it into compliance with the standards. If the item is too severely damaged to be repaired, then the Office of Risk Management, LPAA, and any other agencies affected are notified for the appropriate action.

CASH HANDLING

Deposits

The Louisiana Constitution Article VII, Section 9 (A) requires “All monies received by the State or by any state board, agency, or commission shall be deposited immediately upon receipt...except for certain exceptions listed therein.”

NOTE: Immediately is defined as *within 24 hours* of receipt.

Misappropriation Notification Requirement

LSA-R.S. 24:523- [Notification of the legislative auditor and district attorney](#) . “An agency head of an auditee who has actual knowledge of any misappropriation of the public funds or assets of his agency shall immediately notify, in writing, the legislative auditor and the district attorney of the parish in which the agency is domiciled of such misappropriation. The district attorney, or other prosecutorial agency, notified of such misappropriation may request audit assistance from the legislative auditor with respect to the misappropriation.”

LCTCS Board Policy

This policy is also governed by [LCTCS Board Policy # 5.013](#) which is titled “Cash Management and Investment”.

GENERAL PROCEDURES (For all Campuses)

Collecting and Receiving Checks or Cash

1. Cash - Any cash received should be evidenced by the issuance of a Banner receipt.
2. Checks -
 - a. All checks/money orders received should be made out to Central Louisiana Technical Community College (CLTCC). If the payee space on the check/money order is left blank, Central Louisiana Technical Community College should be entered immediately. Checks made payable to cash should not be accepted.
 - b. All checks/money orders to be deposited by CLTCC are to be immediately endorsed with a restrictive endorsement. A copy of the check/money order should be filed with the cashiering session information. The endorsement should be as follows:

For Deposit Only
Central Louisiana Technical Community
College Account Number
3. At all times, funds should be placed in a bank bag and the bag should be secured in a safe or locked cabinet or locked desk.
4. Access to the funds should be limited to the fund custodian.

Making Deposits

1. To maintain proper security and good internal control procedures, the responsibility for preparing and making the deposit should be assigned to an employee other than the one assigned the responsibility for opening the mail, writing checks, and preparing the bank reconciliation.
2. All funds received must be compared to the Banner Cashier Session Detail to verify that all monies have been received and accounted for.
3. The employee assigned the responsibility of deposit preparation will prepare the deposit ticket, secure the funds, and verify that the funds were deposited into the proper bank account.
4. Under no circumstances will employees make disbursements from the cash receipts. All cash receipts must be in the custody of Finance or the campus designee.
5. A copy of the deposit ticket should be attached to the documentation and maintained in the college's files.

Bank Reconciliation

All bank reconciliations will be performed centrally and should be performed no later than forty (40) days after receipt of the bank statement.

Missing Funds Notification Process

If funds are missing from a deposit the following notifications must be made:

1. A report must be filed with the local Police department, immediately upon discovery of the missing funds.
2. The Chancellor and Vice Chancellor of Finance and Administration should be notified immediately in accordance with the Misappropriation of Assets – Notification Policy. A detailed synopsis of how the incident occurred should be scanned/emailed or faxed to the Chancellor and Vice Chancellor of Finance and Administration. The Vice Chancellor of Finance and Administration will notify the LCTCS Director of Internal Audit immediately. The Director of Internal Audit will then notify the District Attorney's office of the parish where the funds are missing and the Legislative Auditor's Office.

COLLECTION PROCEDURES

For cash, check, money order, or electronic payments related to student accounts or activities:

Placement & Skills Test, Transcript Requests (non-online), Miscellaneous ID, Miscellaneous Parking Fee, Miscellaneous Parking Fine, MSC category detail codes, etc. as indicated in the TFAMISC instructions.

- The Customer Service Representative or Bursar (Cashiers) collects funds from students and enter the data into Banner on forms TSAAREV or TFAMISC.

- At the end of the day, the Cashier counts the total funds collected. Each will generate a report in Banner on form TGACREV. The Cashier will forward funds along with Banner report (TGACREV) to the Director of Accounting who will review and prepare the deposit slip and take the funds and the deposit slip to the bank. The bank produces a transaction summary which is verified with the deposit slip and attached to the back of the pink copy of the deposit slip kept in the deposit book.
- Any electronic payment which is not recorded on TFAMISC or TSAAREV such as grant reimbursements or other non-student funds, should be assigned an EFT deposit number and recorded on FGADCSR instead of TFAMISC or TSAAREV.

*Policy Reference: Cash Management & Investment [LCTCS Board Policy # 5.013 Louisiana Constitution Article VII, Section 9 \(A\)](#)
[LCTCS Board Policy # 5.019 Misappropriation of Assets – Notification Policy LSA-R.S. 24:523-Notification of the legislative auditor and district attorney](#)*

Review Process:

<i>Name</i>	<i>Title</i>	<i>Approval Date</i>
<i>James R. Sawtelle, III, Ed.D.</i>	<i>Chancellor</i>	

Distribution:

Electronic: posted to College's website and sent via email to College personnel