

Receiving Cash and Checks: Segregation of Duties

The same person should not do the following if possible:

- Receive and log cash and checks
- Prepare, make and record the deposit

Receiving Cash and Checks

A person outside without responsibility for accounting records can perform the following with the use of a cash receipts log that can be reconciled to the accounting records.

- Log all incoming cash and checks. (See cash receipts log.)
 - ⇒ Name of payer
 - ⇒ Amount of payment
 - ⇒ Date received
 - ⇒ Contract number
- Restrictively endorse all incoming checks.
 - ⇒ Stamp (or write) the name of the organization on the back of the check
 - ⇒ Stamp (or write) "For Deposit Only" on the back of the check
 - ⇒ Write your bank account number on the back of the check
- Bundle checks and cash for deposit along with cover letters or any other back-up information and put in a secure place.
 - ⇒ If you receive large amounts of cash on a regular basis, log the cash and immediately store in a locked strong box
- Don't spend incoming cash for other purposes. Deposit it intact.
- Make timely bank deposits:
 - ⇒ At regular intervals; or
 - ⇒ When funds accumulated for deposit reach a pre-determined threshold amount