Control of Revenue by University Departments

Effective Date: September 4, 1973
Revised: October 21, 2015

Table of Contents

- SUBJECT
- INTENT
- SCOPE
- PROCEDURE
- FORMS

1. Cash Handling and Control - Departmental
2. Remittance of Revenue to the Treasury Operations Office
3. Revenue
4. Revenue Control's Responsibility for Verification of Revenue

SUBJECT

Control of Revenue by University Departments

INTENT

To provide a guideline to aid University Departments (other than Treasury Operations) in the handling and remitting of revenue in order to ensure adequate controls over cash as well as the timely and accurate recording of University revenue.

SCOPE

All units of the University whose activities include the sale of goods and services and/or the receipt of revenue from cost recoveries, research, credit and non-credit courses.

Please Note: All donations are to be sent to university affairs and development for valuation, receipting, and acknowledgement of the gift by the university.

PROCEDURE

1. Cash Handling and Control - Departmental

1. Cash and other negotiable instruments in excess of $500 (over and above the petty cash station amount) must be deposited to Treasury Operations daily. No Cash and other negotiable instruments greater than $500 should be held in overnight departmental locations unless there is written authorization from the Director, Treasury Operations.
2. Departments with cash and negotiable instruments less than $500 should not hold these in a department location longer than a week.
3. All departments must reconcile the funds they are remitting to sales (or revenue received) by one of the following methods in order to verify that the amount of revenue on hand is correct:

1. Cash register tape(s) - identifying total amount of revenue for the day being deposited must equal revenue deposited and be attached to a "Revenue Remittance Voucher" (RRV) form. Departments utilizing cash registers should verify the continuity of the numbered tapes printed from the register.
2. Official "University of Guelph Receipt" - receipts issued must equal the amount of cash deposited and the pink copies attached to the RRV along with an adding machine tape of their total. A receipt need not be issued for individual cash transactions less than $5.00. Revenue derived from transactions under $5.00 must be identified as such on the RRV by a separate line of coding. All three copies of voided receipts should be returned to Tresury Operations.
3. Reconcile pre-numbered items on-hand to those originally available for sale i.e. laser cards, tickets, etc... e.g.
    - Card #1250 - 1260 sold inclusively
    - 11 cards at $1.00/each = $11.00 revenue
    - The above reconciliation must be attached to the RRV and revenue must equal the total revenue indicated on the reconciliation.
4. Class list signed and dated by each in-course student indicating cash or cheque as confirmation of sale of lab manuals.
5. VISA, MasterCard and Interac Payments

    - For Point of Sale Terminal (POS) or Web payments- For departments accepting VISA, MC and Interac payments using a POS terminal or via the web, the End of Day (EOD) register must be printed out at the end of each business day. The EOD register(s) are then attached to the RRV as supporting documentation for the RRV, with the appropriate amounts recorded under the "Direct Deposit" section on the back page of the RRV.
    - The university requires all units accepting credit card payments to comply with current credit card industry standards **(PCI Compliance)**. For more information refer to Section titled Credit and Debit Card Payments on the FS website
    - Authorization of VISA & MC payment via the Telephone - Where no POS terminal is used, the VISA & MC payments are authorized and deposited via telephone authorization, supported by a completed VISA or MC charge slip. The manual slips are totalled and attached to the RRV and recorded on the back of the RRV under "Cheques and Other".
6. Other methods of reconciliation approved in writing by the Director, Treasury Operations.

4. All cheques must be made payable to the University of Guelph. Cheques must be verified for signature, body and figures, and cannot be either stale-dated (older than 6 months) or post- dated. Note: No personal cheques cashed.
5. Revenue should be stored in a secured locked area with one person held responsible for its safekeeping. The individual responsible should maintain control over keys to the secured area ensuring that keys are not forgotten in desks and that the number of people who have access to the money is restricted as much as possible. Ideally, one person should have the key/combination with the back up copy kept by their supervisor. It is understood that this may not be feasible from an operational standpoint and in these cases the best judgement of the individual who will be held responsible should be exercised.
6. If revenue is transferred from one area of a department to another to be consolidated into one remittance, the transfer must be verified and documented by both parties (i.e. signing the RRV) in order to provide an audit trail.

2. Remittance of Revenue to the Treasury Operations Office

1. All revenue items received by a department must be remitted to Treasury Operations accompanied by an RRV and a copy(ies) of the cash register tape, receipts or other method of reconciliation of revenue as noted in part 3 of section A above.
2. The RRV will be completed in duplicate and numbered sequentially within each fiscal year starting May 1st of each year with the number 1. The amounts must be listed on the RRV, coded to a valid, twenty-six (26) digit financial accounting code and presented with the remittance to Treasury Operations. The individual preparing the RRV should sign it and indicate their telephone extension so that Treasury Operations may contact them directly should there be a problem with the remittance.

3. The deposit must be grouped by sources of funds into separate Revenue Remittance Vouchers (RRV's) as follows: Please prepare a separate RRV for each of these groups in your deposit.
    - Group 1: Cash and Cheques
    - Group 2: All other forms of payment (Visa, MasterCard, Interac, web payments)
    - Group 3: Payment against a University invoice (GARS).
4. Reference must be made to the Goods and Services Tax on the RRV. This means there must be an amount in the GST field or the remittance must be designated as "EXEMPT FROM GST" and a detailed explanation of the revenue being submitted to substantiate this tax exempt status otherwise the RRV will not be processed. For more tax information, refer to: The GST and PST Guide for the External Sale of Goods and Services on the Financial Services Web Site.
5. Departments must attach a tape of all cheques to the RRV as well as a breakdown of the denominations of cash. e.g.
    - Cash
    - 1 X $2 = $ 2.00
    - 5 X $5 = $ 25.00
    - 8 X $10 = $ 80.00
    - Coin = $ 0.65
    - ==========
    - Total = $107.65
6. There must be a separate RRV for each currency being remitted.
7. If the RRV has a cash component, the department must remit that revenue in person to the Treasury Operations Office and WAIT for the cash to be counted. If the amount of cash is greater than $500 the depositor must be escorted to Treasury Operations counter by another individual. If the RRV is made up entirely of cheques and totals less than $5,000 dollars it may be mailed to Treasury Operations for receipting. If the department does not receive the receipt for their mailed deposits within a reasonable amount of time, they should contact Treasury Operations at ext. 53315. Under no circumstances should cash be sent in the mail.
8. Remittance of Research payments/deposits. Please see helpful hints on
    - Recording Research Revenue (Fund 300).
9. For a sample RRV in excel format click here to download an RRV template.

3. Revenue

1. A Department could be assessed a service charge if the RRV is NOT completed according to the above guidelines. This charge will be assessed only if the department continually fails to follow the above procedures.

The Treasury Operations office is open from 8:30 a.m. TO 4:30 p.m. during regular hours and 8:30 a.m. to 4:15 p.m. during summer hours.

It would be greatly appreciated if deposits are not left until closing time in order to allow sufficient time to balance the accounts.

4. Treasury Operations Responsibility for Verification of Revenue:

1. Treasury Operations will verify that the attached reconciliation(s) equal(s) revenue indicated on the remittance voucher and revenue received before a receipt will be issued for the total amount and given to the department.
2. Treasury Operations will ensure that GST is either coded or revenue indicated as exempt (with an explanation) before issuing a receipt.
3. The Treasury Operations Office will maintain a copy of all revenue vouchers and their supporting documents.
4. Treasury Operations will verify continuity of receipt numbers of official University of Guelph receipts received from departments as backup with their RRV's to the log of receipt numbers issued.

FORMS

- Revenue Remittance Voucher (RRV) and Revenue Remittance Details template

- RRV Sample-Cash & Cheques
- RRV Sample-Credit CardEnd of Day POS Register
- University of Guelph Receipt

Source URL:https://www.uoguelph.ca/finance/control-revenue-university-departments-0