

Procedures on Receipt of Cash or Cash Equivalents

1. Scope of Application

- 1.1 While the policy on “Acceptance of Advantage” should strictly be observed, there are occasions when cash or cash equivalents are received through donations, consignments or provisions of goods and services by the University. Cash and cash equivalents include coins, banknotes, cheques, foreign currencies, money orders, tickets, gift vouchers, coupons in physical and e-form. The above list is not exhaustive. The procedures set out below aim at safeguarding the University’s assets, and mitigating risks of fraud and malpractice.
- 1.2 This set of procedures is designed to mainly address the risks and control of these types of transactions. Departments/Offices, which require collecting cash/cash equivalents at their offices due to operational reasons, bear the primary responsibility for safeguarding the University’s assets received by them. Heads of Departments/Offices should ensure that this set of procedures is followed properly. In case of any difficulties, the Finance Office should be consulted.
- 1.3 Where regular and bulk receipts are involved, consultation should be made with the Finance Office for establishing a customised set of procedures or exploring electronic payment collection channels (such as credit or debit card).

2. Basic Elements of Control

- 2.1 Accountability – designated staff should be assigned to take full responsibility for handling cash and cash equivalents with transaction amounts well documented at any time.
- 2.2 Secure custody – Cash/cash equivalents should be kept under lock at all times and where appropriate a safe or lock-box should be used. Cash in excess of certain amount (please refer to par. 3.5) should be banked as soon as possible. The Finance Office should be informed if special insurance cover is required.
- 2.3 Segregation of duties – responsibility for custody, record-keeping, reviewing and record reconciliation should be carried out by different staff wherever possible.
- 2.4 Complete accounting records – all receipts must be clearly recorded and under no circumstances should the cash proceeds be used for making any loans, advances to anyone or payment for any expenditure. Cash receipts should not be mixed with the Petty Cash Float kept by the Department or Office.

3. Processing Procedures

- 3.1 All payers should be issued with a handwritten pre-numbered Official Receipt by the staff receiving the cash/cash equivalents (or a computer-generated receipt if a cash register is used). Manual Official Receipt Books are available from the Finance Office and each book has 50 copies of sequentially numbered four-ply receipts. For control purposes, the Finance Office keeps track of the issue of manual Official Receipt Book. Once issued, the Official Receipt Books shall become the responsibility of the Department/Office.
- 3.2 The manual Official Receipts should be used in sequence with the first ply of the Receipt given to the payer, the second ply retained by the Department/Office as a record supporting the daily cash received, the third ply accompanying the Cash/Cheque Receipt Voucher (see attached **Appendix I**) when sending it to the Finance Office and the fourth ply will be retained in the Official Receipt Book which should be returned to the Finance Office after it has been fully used. Any voided receipt should be kept in complete plies in the Official Receipt Book for future checking. The manual Receipt Book, like cash proceeds, must be kept in a secure location with restricted access. Unused Receipt Books should be returned to the Finance Office when they are no longer needed for use.
- 3.3 The Department/Office should account for all Official Receipts issued (either manual or computer generated) including the sequence of all Official Receipts issued. For computer generated Official Receipts, please check with the Finance Office to ensure that the minimum required details are included therein.
- 3.4 The Department/Office should maintain a simple Log Book recording:
 - (a) the date of receipt;
 - (b) the total amount of cash/cash equivalents received;
 - (c) the receipt numbers;
 - (d) the initial of the staff recording the details;
 - (e) when the cash/cash equivalents (not applicable to tickets, gift vouchers, coupons and the like) is banked, the bank-in date;
 - (f) when the tickets, gift vouchers, coupons and the like, are being accepted and approved by the written special permission (see par. 3.11 below), disposal methods (see par. 3.12 below) including acknowledgements of receipt by the beneficiaries; and
 - (g) the cumulative balance of each type of cash/cash equivalents in hand at the end of the transaction date.
- 3.5 Para 3.5 – 3.7 is not applicable to tickets, gift vouchers, coupons, and the like. All receipts of cash/cash equivalents must be regularly deposited into the University's bank account, preferably at least once a week or when the cash/cash equivalents in hand reaches HK\$2,000. When the receipts are banked in, the bank pay-in slip, Official Receipts (third ply) and the completed Cash/Cheque Receipt Voucher should be sent to the Finance Office immediately. A photocopy of the pay-in slip should be kept by the Department/Office and retained until the end of the financial year.

- 3.6 Cash should **not** be sent to the Finance Office via campus mail. Department/Office that delivers cash to the Finance Office should do it in person, waiting until the amount is verified and an acknowledgement receipt is issued by the Finance Office. The acknowledgement receipt should be returned to the Department/Office and attached to the Department/Office's Log Book or filed it separately, where appropriate.
- 3.7 The Cash/Cheque Receipt Voucher should include details on each receipt transaction, including the amount, Oracle account code and the related Official Receipt number. For any discrepancy noted such as differences between the cash deposited and the related breakdown or missing Official Receipt numbers, explanation should be provided by the staff responsible for the cash receipt, verified by the Checker (see para. 3.9 below) and documented in the Cash/Cheque Receipt Voucher to the Finance Office.
- 3.8 All cash/cash equivalents and the Receipt Book should be locked away in a safe place at the end of each day. The staff responsible for the custody of cash/cash equivalents should hold the key to the safe or lock-box. A back-up key should be placed in a sealed envelope and kept by his/her supervisor.
- 3.9 At the end of a week (or longer depending on the amount of cash/cash equivalents received by the Office), checking should be carried out on the Log Book, Official Receipt Book and the amount of cash/cash equivalents held in hand for completeness and accuracy. The checking should be carried out by a staff member (the "Checker") other than the one responsible for receiving cash/cash equivalents. Completion of checking should be evidenced in the Log Book. Any discrepancies should be reported to the supervisor of the Checker for immediate investigation. The Finance Office should also be informed accordingly.
- 3.10 The Log Book should be kept for a financial year and sent to the Finance Office for checking by the external auditors, if necessary. Department/Office shall make a copy for departmental record, if necessary.
- 3.11 If the tickets, gift vouchers, coupons, and the like are donated to the University and received by a staff on behalf of the University or for the benefits of staff/students at the University in general or/and general public, the recipient should seek a **prior written special permission** from the Director of Finance. The recipient should disclose the following information in his/her request for special permission, including:
- (a) the nature and the value of tickets , gift vouchers, coupons and the like;
 - (b) the status and reputation of the donor;
 - (c) whether there is any conflict of interest between the donor and recipient;
 - (d) whether the acceptance of these tickets, gift vouchers, coupons and the like would place the recipient in an obligatory position towards the donor and would therefore compromise his/her position in his official dealing with the donor; and
 - (e) the planned usage and eventual disposal of these tickets, gift vouchers, coupons and the like.

If there is any question, the staff should always check with his/her Head of Department/Office.

3.12 The recipient should consider how the tickets, gift vouchers, coupons and the like should equitably be distributed or disposed of. Some common disposal methods, include distributing to staff, students, sharing among office using lucky draws, etc. All disposal methods should be properly documented in the Log Book with appropriate acknowledgements from the final recipients/beneficiaries of these tickets, gift vouchers, etc. or endorsement of the Head of Department/Office or relevant photo taking.

4. **Checking by the Finance Office**

4.1 Once the supporting documentation is received from the Department/Office, the Finance Office shall perform a review to ensure the amount reflected in the Cash/Cheque Receipt Voucher agrees to the bank pay-in slips, the sequential numbering of the Official Receipts in running order and the cash/cash equivalents is banked-in on a timely manner (if applicable).

4.2 No bank-in and financial bookkeeping is required for the receipt of tickets, gift vouchers, coupons and the like. Therefore, the Finance Office will carry out sample checks on those receipts in the Log Book against the written special permission in order to ensure the proper accountability and disposal by the recipients.

4.3 For any discrepancy noted, the Finance Office shall review the nature and extent of discrepancy and explanation provided by the Department/Office. Any major discrepancy and/or without valid explanations should be reported to the Director of Finance for determination.

4.4 The Finance Office shall also evaluate and advise the Department/Office on the overall internal controls to ensure reasonable internal controls exist to safeguard the cash/cash equivalents as and when required or requested by the Department/Office.

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**FINANCE OFFICE
CASH/CHEQUE RECEIPT VOUCHER**

To: **Finance Office, TPBD**

From: _____ Ext: _____ Faculty/Dept/Office: _____

Finance Office Use Only:	
RV#:	A/C Confirmed By:
	<input type="checkbox"/> ABS <input type="checkbox"/> _____

Faculty/Dept/Off Ref: _____ Date: _____

To be completed by Faculty/Department/Office																
Oracle Account Code (24 digits)																
Entity	Fund	CTTR			Account			Project			Descriptions	Foreign currency	HK\$	Official Receipt No. (Note 4)	Require FO to issue receipt	
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TOTAL																
Prepared/Checked By Faculty/Dept/Off:											Approved By Faculty/Dept/Office:					

- Notes:
1. Faculty/Dept/Office may insert as many rows as they wish in softcopy of this voucher.
 2. Official Receipt (Third Ply), if any, must be attached with this form.
 3. FO receipts will be sent back to the Faculty/Dept/Office's contact via Campus Mail.
 4. Please note down the Official Receipt No. that are issued by the Faculty/Dept/Office.
 5. If the receipt is related to donation, please DO NOT complete this form and use the **Donation Received Form**.
 6. For enquiries, please contact the Finance Office at extension 5116.

Please <input checked="" type="checkbox"/> if any of the below supporting documents are attached:	
<input type="checkbox"/> Cash/Cheque	<input type="checkbox"/> Mail Order Form
<input type="checkbox"/> Bank-in Slip	<input type="checkbox"/> Others (specify):