

TYPE: Administrative
TITLE: Payment Transactions and Recording
NO.: ADMIN-226
RESPONSIBILITY: Vice-President, Corporate Services & CFO
APPROVED BY: Durham College Leadership Team
EFFECTIVE DATE: February 2025

1. Introduction

Durham College is responsible for maintaining efficient controls to ensure the appropriate handling of customer payment transactions, including safeguarding of [cash](#), checks and credit card transactions, and segregation of duties, where cost-effective to do so. Strong internal controls must be in place to ensure payments are adequately safeguarded and deposited, and accurately reflected in the College's general ledger. The assessment of segregation of duties and enforcing enhanced review and approval controls will not only decrease the risk of error, but will also protect the individuals involved should there be questions surrounding the mishandling or flow of [funds](#).

2. Purpose

This policy and procedure provides a framework for the prudent and responsible management and handling of all forms of customer payments.

3. Definitions

Refer to [Durham College's Standard Definitions](#).

4. Policy statements

- 4.1. [Cash collection centre status](#) can only be assigned to a College department by Finance.
- 4.2. The [employee](#) delegated the authority to handle cash shall provide a signed, written notice acknowledging his or her understanding of this policy and procedure. The respective Department Manager will maintain the form for their records.
- 4.3. Each cash collection point should consider employee safety issues and take precautions to ensure effective security is in place when handling and transporting cash.
- 4.4. All customer payments must be regularly deposited into an authorized Durham College bank account.

- 4.5. Payment transactions must be reviewed and reconciled to the general ledger on a daily basis to ensure they have been correctly recorded.

5. Procedure

5.1. Safeguarding cash

- 5.1.1. All cash must be kept in a secure location.
- 5.1.2. During business hours, all cash should be stored in a secure cash drawer, or similar, with access restricted to authorized cash handling employees.
- 5.1.3. During non-business hours, all cash should be stored in a safe, or similar, away from where cash is typically handled.
- 5.1.4. Access to any department with cash and a safe is tightly controlled.

The safe within each department should be locked in a secure room and access to the safe should be restricted to specific personnel approved by the department manager. All combinations must be changed annually or immediately when an employee with access has left the department.

5.2. Segregation of duties

- 5.2.1. Critical controls such as segregation of duties, limited access, and regular reconciliation are important in handling customer payments. The number of individuals authorized to receive and handle payments should be limited.
- 5.2.2. To ensure segregation of duties, the cash for deposit should be prepared by an employee not involved with the receipting or distribution of cash. Where this is not possible due to limited resources, cash deposits should be prepared under the supervision of a superior. The [supervisor](#) should compare the record on the initial receipt of cash to the amount deposited.

5.3. Cash collections

- 5.3.1. All cash received must be processed through J-Point or other approved third-party software such as BookWare (Bookstore), Fusion (Athletics) or Parklink (Parking), hereafter the 'POS Software'.
- 5.3.2. The customer must be presented with a receipt. A duplicate record should be retained electronically by the cashiering system.
- 5.3.3. All transactions must be properly entered by tender type (cash, cheque, debit, credit, etc.) in order to properly reconcile the transactions at the end of a shift or end of the day.

- 5.3.4. All cheques must be made payable to 'Durham College' and when received should be immediately stamped on the back with the College's restrictive endorsement. This should be manually done with an approved stamp if the computerized system is unable to do it.
 - 5.3.5. Personal cheques should not be accepted as a form of payment (except through the Campus Recreation and Wellness Centre).
 - 5.3.6. Cash collection centres are not permitted to 'cash' any cheque instrument (including money orders, traveller's cheques and personal cheques) or allow individuals to cash cheques from un-deposited funds
 - 5.3.7. Payment transactions should not be accepted or processed for more than the amount of purchase.
 - 5.3.8. For credit card payments, where feasible, personal identification should be presented at the time of the transaction and compared to the credit card for fraud prevention.
 - 5.3.9. Credit card transactions should not be conducted via e-mail, telephone, or by fax (except through the Durham College Test Centre, the Contact Centre in Enrolment Services, Finance, ORSIE, and the Campus Health Centre). Payments must be received through an authorized IVR payment solution (Hosted PCI).
 - 5.3.10. In accordance with [PCI](#) compliance standards, it is forbidden to store credit card information via paper or electronic means. Credit card information must be destroyed or blacked out if on a form, except the first 6, and last 4 digits of the credit card number, the cardholder's name and signature.
 - 5.3.11. Each cash collection centre should understand and follow employee safety guidelines and take precautions to ensure effective security is in place when handling and transporting cash.
- 5.4. Refunds and void transactions
- 5.4.1. [Refunds](#) from a cashier's till are permitted where it relates to payments received on the same day, where the cashier's session has not been closed and balanced, and where the refund is being issued in the same tender.
 - 5.4.2. All refunds must be authorized by the cash collection centre's manager/supervisor.
 - 5.4.3. All voided transactions must be authorized by the cash collection centre's supervisor/manager.
 - 5.4.4. Payments originally received in the form of credit cards must be refunded

back to the same card where feasible.

- 5.4.5. Where the refund is not related to a same-day transaction, repayment should be made by submitting a request to the Accounts Payable department for refund, to the benefit of the student, by E-transfer, EFT or cheque.

5.5. Balancing of cash receipts

- 5.5.1. At the end of each shift, the cashier should count the cash and cheques in her or his till.
- 5.5.2. The cashier should validate his or her live counts (Step 5.5.1 above) with their POS software. If there are discrepancies, the cashier is to investigate, identify and correct, if possible. Any errors the cashier cannot identify and correct her or himself should be referred to her or his supervisor/manager or the lead cashier. Refer to departmental cashiering manuals for specific procedures.
- 5.5.3. Once the cashier's session has been balanced, or unresolved discrepancies have been documented and referred for follow-up, the cashier should close off the session, and complete the Daily Cashier Summary Report template, which can be found in: I:\TREASURY\Forms\.(There is a spreadsheet for J-Point users, 'JPoint Closing Calculator.xlsx', and spreadsheet for non-J-Point users and the Bookstore, 'Summary - Daily (Everyone).xlsx').
- 5.5.4. The cashier should make a photocopy of any cheques included in their deposit. If the cheque includes anti-copying features, a clear scan of the cheque should be taken instead.
- 5.5.5. The Daily Cashier Summary Report and all supporting documentation should be placed in a file folder for review by the supervisor.
- 5.5.6. Cash and cheques for deposit, as well as the Daily Cashier Summary Report should be secured in a vault or safe for the night.

5.6. Review of records and preparation of deposits

- 5.6.1. The review of deposits and records should be done by the supervisor/manager of the cash collection centre or a supervisor/manager designate, who is independent of the cash receipts and recording processes (the person doing this function is herein after referred to as depositor).
- 5.6.2. All funds must be deposited intact, and not intermingled or substituted with other funds.

- 5.6.3. The depositor should retrieve the previous day's cashier file folders and related deposits from the vault.
- 5.6.4. In a secure room, the depositor should recount the cash and cheques for each cashier's session and prepare the bank deposit slip. Each cash collection centre has its own pre-printed three-part bank deposit slips, which identify the department on bank records.
- 5.6.5. Cash, cheques and the green and first white copies of the completed bank deposit slip should be sealed in a deposit bag provided by the College contracted secure cash transportation service. Deposited funds (cash) in any single bag are not to exceed our insurable deposit limit of \$500,000 plus any deposited cheques and other recoverable financial instrument which are calculated at 1% of face value.
- a) Complete the deposit bag label by writing in the pickup location, deposit amount, the pickup date, the number of this bag of the total number of bags being picked up on the day (e.g., 1 of 3), and the delivery location. (Use only ballpoint pens for this section.)
 - b) This bag is to be stored in the vault or safe until pickup by the armored car service.
- 5.6.6. The depositor should review the Daily Cashier Summary Report, and agree the deposited totals to these reports.
- a) If there are undocumented discrepancies between the provided counts, Banner, and the POS software, the depositor should consult with the cashier. The cashier and depositor should both sign for any added explanations.
 - b) If discrepancies remain unexplained, the depositor should refer the situation to their manager.
 - c) The depositor should print their name, then sign and date where indicated on the Daily Cashier Summary Report once all discrepancies have been resolved or documented.
- 5.6.7. The depositor should photocopy the third copy of the bank deposit slip once for each included cashier session. These copies should be placed with the Daily Cashier Summary Report for reference.
- 5.6.8. If requested by the Senior Treasury Analyst, the depositor should scan or photocopy the Daily Cashier Summary Report and Banner report (known as the TGRCSHR report) for each deposit, the photocopied cheques, and the bank deposit slip. This package should be sent to the Senior Treasury Analyst in Finance.

- 5.6.9. The depositor should complete an online waybill, through the secure cash transportation service's website..
- 5.6.10. On pickup date, indicate on each bag, in the "Bag x of ..." section, the total number of bags for pickup.
- 5.6.11. The externally contracted secure cash transportation provider will scan the bags' bar codes, and compare them to the submitted waybill. The digital waybill will be updated at several points during the bags transit to the bank.
- 5.6.12. Once the digital waybill reports a status of 'Delivered', the depositor will print a copy to be stored with each cashier's Daily Cashier Summary Report.
- 5.7. Reconciliation of bank deposits with Banner entries
 - 5.7.1. A copy of the deposit (with Daily Cashier Summary Report and TGRSCHR reports, white copy of deposit slip, and copies of deposited checks) is received from each location by senior treasury analyst in Finance.
 - 5.7.2. Deposit is checked and agreed with the actual bank deposit through TD Commercial Banking and with the Banner TGRSCHR report.
 - 5.7.3. The 'Bank Deposit Verified By' section of the Daily Cashier Summary Report is signed and dated by the senior treasury analyst.

The Senior Treasury Analyst completes a journal entry to transfer the deposit amount from the Cash Clearing Account to the General Ledger Bank Account. Accessibility for Ontarians with Disabilities Act (AODA) standards have been considered in the development of this policy and procedure and it adheres to the principles outlined in the College's commitment to accessibility as demonstrated by the Multi-Year Accessibility Plan.

6. Non-compliance implications

Failure to comply with this policy or related procedure could result in financial loss for Durham College and could lead to disciplinary action for individuals found submitting or approving fraudulent deposits.

7. Related forms, legislation or external resources

- None.