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Cash Handling
Appendix: Cash Overages and Shortages

CASH OVERAGES AND SHORTAGES

In accordance with state regulations, the University is to ensure that cash overages and shortages are accounted for and posted properly. (*SAAM* 85.20.10d) Each unit must investigate and correct, if possible, all overages and shortages. Departments are to follow the procedures below to record corrected and uncorrected overages and shortages.

Departments Not Using University Point-of Sale System

Departments that do *not* use the University's point-of-sale system follow the procedures below to document overages and shortages.

Overage

If the money (e.g., cash, checks, and credit card receipts) received exceeds the invoice receipts and logsheets, or the ring out on a non-point-of-sale cash register, the department reports the overage amount on a Cash Deposit Report under source-subsource 490-10 using transaction type 01.

Example

In *Figure 1*, the department's invoice receipts and logsheets total $300.00. The department reports the receipts and logsheets using normal source-subsources, e.g., source-subsource 420-99 (miscellaneous receipts). The till in this example totals $310.00. The department must record the additional $10.00 on the Cash Deposit Report as an overage using source-subsource 490-10.

CASH DEPOSIT REPORT

OFFICE OF THE CONTROLLER
WASHINGTON STATE UNIVERSITY

DEPARTMENT: Controller's Office	MAIL CODE: 1234	DATE: 2/24/09	CONTROLLER'S RECEIPT NO.

WSU Receipt Numbers	From: D123456 / To: D123457	From: L001333 / To: L001335	From / To	MISSING RECEIPT NOS. — attach explanation

Vendor No. (recoveries only)	Fund	Sfnd	Prog.	Budget	Project	Source	Sub S	TT	Reference (recoveries only)	Amount
	148	01	01B	1111	2222	420	99	01		300.00
	148	01	01B	1111	2222	490	10	01		10.00
Sales Tax	149	05	18D	7873		920	10	01		
Cash on Account (See attached receipts.)								03		

SILVER: 1.00	+	CURRENCY: 19.00	+	CHECKS: 290.00	+	BANKCARD:	=	TOTAL: 310.00

PREPARED BY NAME: Tim Taylor	PREPARED BY SIGNATURE: X //s//	APPROVED BY NAME: Al Borland	APPROVED BY SIGNATURE: X //s//

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Figure 1 – Cash Deposit Report completed to record and deposit an overage by a department not using the University's point-of-sale system.

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Shortage

If the amount of recorded invoice receipts and logsheets, or the ring out on a non-point of sale cash register exceeds the money received, the department reports the amount short on a Cash Deposit Report under source-subsource 490-11 using transaction type 02. Also, the department must bracket the negative amount to help ensure that the cashier properly records the transaction. (See example below.)

Example

In *Figure 2*, the department's invoice receipts and logsheets total $300.00. The department reports the receipts and logsheets using normal sources-subsources. This example uses source-subsource 420-99, indicating miscellaneous receipts. The till in this example, however, only totals $290.00. The department must record the $10.00 shortage using source-subsource 490-11.

CASH DEPOSIT REPORT

OFFICE OF THE CONTROLLER
WASHINGTON STATE UNIVERSITY

DEPARTMENT Controller's Office			MAIL CODE 1234		DATE 2/24/09			CONTROLLER'S RECEIPT NO.	

WSU Receipt Numbers	From D123456	From L001333	From	MISSING RECEIPT NOS.
	To D123457	To L001335	To	attach explanation

Vendor No. (recoveries only)	Fund	Sfnd	Prog.	Budget	Project	Source	Sub S	TT	Reference (recoveries only)	Amount
	148	01	01B	1111	2222	420	99	01		300.00
	148	01	01B	1111	2222	490	11	02		<-10.00>
Sales Tax	149	05	18D	7873		920	10	01		
Cash on Account (See attached receipts.)								03		

SILVER 1.00	+	CURRENCY 9.00	+	CHECKS 280.00	+	BANKCARD	=	TOTAL 290.00

PREPARED BY NAME Tim Taylor	PREPARED BY SIGNATURE X //s//	APPROVED BY NAME Al Borland	APPROVED BY SIGNATURE X //s//

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Figure 2 – Cash Deposit Report used by a department not using the University's point-of-sale system to record a shortage.

Departments Using University Point-of Sale System

The University Point-of-Sale system ceases operations at 4:00 p.m. each day. If departments close early enough, there may be time to correct any discrepancies in order to avoid needing to report overages and shortages. Normally, most point-of-sale locations close at 4:00 p.m., which allows no time to make corrections.

University policy requires each department to deposit *intact*, i.e., to prepare the deposit based upon the cash register ring out totals.

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Departments Using University Point-of Sale System (cont.)	Therefore, regardless of whether or not an overage or shortage exists, the cash register ring out total is the amount that must be deposited.
Till Cash Custodian	The departmental employee who counts the till cash vault, i.e., the till cash custodian, logs and initials any overages and shortages on a vault log sheet.
Overage	The department must follow the procedure below to record an overage.
	If the ring out on the point-of-sale cash register is $1,000.00, but there is $1,010.00 in the till after balancing, the department must deposit $1,000.00 to the bank. The department till cash custodian adds the additional $10.00 to the backroom till cash vault and reports the $10.00 as an overage on a vault log sheet. See the vault log sheet example in Figure 4.
	When the department finds and corrects the error on the next day, the department till cash custodian posts the addition of $10.00, which causes a shortage for the second day. If the ring out for the second day is $1,010.00 including the posted $10.00 correction, the till should total $1,000.00 if no other errors occur on day two.
	The department must deposit $1,010.00 to match the ring out amount. Therefore, the department till cash custodian takes the $10.00 put into the backroom till cash vault on day one and adds it to the day two deposit to cover the shortage. The department till cash custodian reports a $10.00 shortage on the vault log sheet, and the backroom vault is back in balance with the authorized till cash amount. (See *BPPM* 30.51.)
Shortage	If the ring out on the point-of-sale cash register is $1,010.00, but there is only $1,000.00 in the till after balancing, the department must deposit $1,010.00 to the bank. The department till cash custodian must take the additional $10.00 from the backroom till cash vault and log the $10.00 as a shortage on a vault log sheet. See the vault log sheet example in Figure 4.
	When the department finds and corrects the error on the next day, the addition of a posting of <-$10.00> causes an overage for the second day. If the ring out for the second day is $1,000.00 including the posted negative $10.00 correction, the till should total $1,010.00 if no other errors occur on day two.

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Shortage (cont.)	The department must deposit $1,000.00 to match the ring out amount. Therefore, the department till cash custodian adds $10.00 to the backroom till cash vault to offset the $10.00 taken from the vault on the day before. The till cash custodian reports a $10.00 overage on the vault log sheet, and the backroom vault is back in balance with the authorized till cash amount. (See *BPPM* 30.51.)
Summary	To summarize, an overage adds money to the backroom till cash vault and a shortage takes money out of the backroom till cash vault.
Posting Overages and Shortages	There are times when a department investigates overages and shortages but is unable to find and correct the errors. This leaves the backroom vault out of balance by the amount of the unfound errors. The department must record uncorrectable error amounts in the accounting system using source 490, in accordance with state of Washington guidelines. (*SAAM* 85.20.10d)
Posting an Overage	The department must deposit uncorrectable overage money using source-subsource 490-10 when the amount reaches *$25.00* and/or at least *monthly* for amounts less than $25.00.
	The department processes a receipt in the point-of-sale system using source 490-10 and adds the amount from the backroom till cash vault into the day's deposit. This brings the backroom vault into balance with the original authorized till cash amount. The department records the transfer of this amount on the vault log sheet, indicating that the vault is back in balance.
Posting a Shortage	A shortage occurs when the backroom vault contains less money than the authorized till cash amount. The department must post the shortage using source-subsource 490-11 when the amount reaches *$25.00* and/or at least *monthly* for amounts less than $25.00.
	The department completes a State of Washington Invoice voucher payable to the till cash custodian describing the dates that are covered and using source-subsource 490-11 to account for the shortages (Figure 3). To obtain a State of Washington Invoice Voucher, see *BPPM* 30.45. The department must attach a copy of the vault log sheet to the invoice voucher.
	The department sends the completed invoice voucher with attached vault log sheet to the Revenue Section of the Controller's Office; mail code 1025.

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WSU Pullman Departments	The Revenue Section of the Controller's Office generates a check payable to the requesting WSU Pullman department's till cash custodian and holds it for pickup. The till cash custodian picks up the check at the check distribution desk in General Accounting and may cash the check at the Cashier's Office.
	The till cash custodian adds the funds back into the backroom vault to bring it into balance with the authorized till cash amount. The department records the transfer of this amount on the vault log sheet, showing that the vault is back in balance.
Non-Pullman Departments	The Revenue Section of the Controller's Office generates and mails a check payable to the requesting non-Pullman department's till cash custodian, who cashes the check at a local bank.
	The till cash custodian adds the funds back into the backroom vault to bring it into balance of the authorized till cash amount. The department records the transfer of this amount on the vault log sheet, showing that the vault is back in balance.
Records Retention	The department retains the vault log sheets with the cash register reconciliation records, in accordance with the retention period specified on the All-University Records Retention Schedule (see *BPPM* 90.01).

EXAMPLES

Figure 3   Invoice voucher used to post a shortage.

Figure 4   Log sheet used to track overages and shortages.

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STATE OF WASHINGTON INVOICE VOUCHER		PURCHASE ORDER NO. OR TRAVEL AUTHORITY NO.

WASHINGTON STATE UNIVERSITY 365

DEPARTMENT NAME
Controller's Office

DEPARTMENT ADDRESS	MAIL CODE
French Ad 240	1234

DEPARTMENTAL CONTACT	CONTACT TELEPHONE NO.
Tim Taylor	5-xxxx

VENDOR OR CLAIMANT

NAME Till Cash - Department
Al Borland - Custodian

ADDRESS
PO Box 64xxxx

CITY/STATE/ZIP CODE
Pullman, WA 99164-xxxx

WSU ID NUMBER (WSU EMPLOYEE/STUDENT)
12345678

SOCIAL SECURITY NO. OR EMPLOYER TAXPAYER ID NO. (NON-WSU INDIVIDUAL)*

INSTRUCTIONS TO VENDOR OR CLAIMANT:
Submit this form to claim payment for materials, merchandise or services. Show complete detail for each item.

VENDOR'S CERTIFICATION

I hereby certify under penalty of perjury that the items and totals listed herein are proper charges for materials, merchandise, or services furnished to the state of Washington.

Are you a U.S. citizen? ☐ YES ☐ NO If no, indicate visa type _____

BY: (Vendor/Claimant's Signature in Ink)	TITLE
X	

* It is unlawful for any state agency to deny any right, benefit, or privilege provided by law because an individual refuses to disclose his or her social security number except in specified circumstances. WSU is requiring that non-WSU individuals requesting payment from WSU disclose social security number or employer ID number (EIN) pursuant to Section 6109 of the Internal Revenue Code. When required, WSU will use disclosed social security numbers for IRS reporting purposes only.

DATE	DESCRIPTION	QUANT	UNIT	UNIT PRICE	AMOUNT
3/24/11	To record the shortage in the till cash vault for the time period from Feb. 1, 2011 to Feb. 28, 2011. See attached vault log sheet.				$25.01
	TOTAL				$25.01

DEPARTMENT:
Please sign and enter the appropriate account code.

AUTHORIZED SIGNATURE	DATE	TYPED/PRINTED NAME
X //s//	3/24/11	Butch Cougar

ACCOUNT CODE							COMP. TAX	NET INVOICE
FUND	SUBFUND	PROG	BUDGET	PROJECT	OBJ	SUB	AMOUNT	AMOUNT
148	01	01B	1111	2222	420	11		25.01

WSU1273-CONTR123-0598   **TOTALS** ⟶ | $25.01 |

Figure 3 - Invoice voucher completed to post a shortage and replenish the backroom till cash vault.

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Authorized Till Cash Vault Amount			$30,000.00
Date	**Over/Short**	**Initials**	**Balance**
2/11/11	$10.00	RW	$30,010.00
2/12/11	($10.00)	RW	$30,000.00
2/28/11	($15.00)	RW	$29,985.00

Figure 4 - Example of a log sheet used to track overages and shortages in a backroom till cash vault. The till cash custodian initials each entry.