

Financial Internal Controls

Cash Handling and Deposit Team

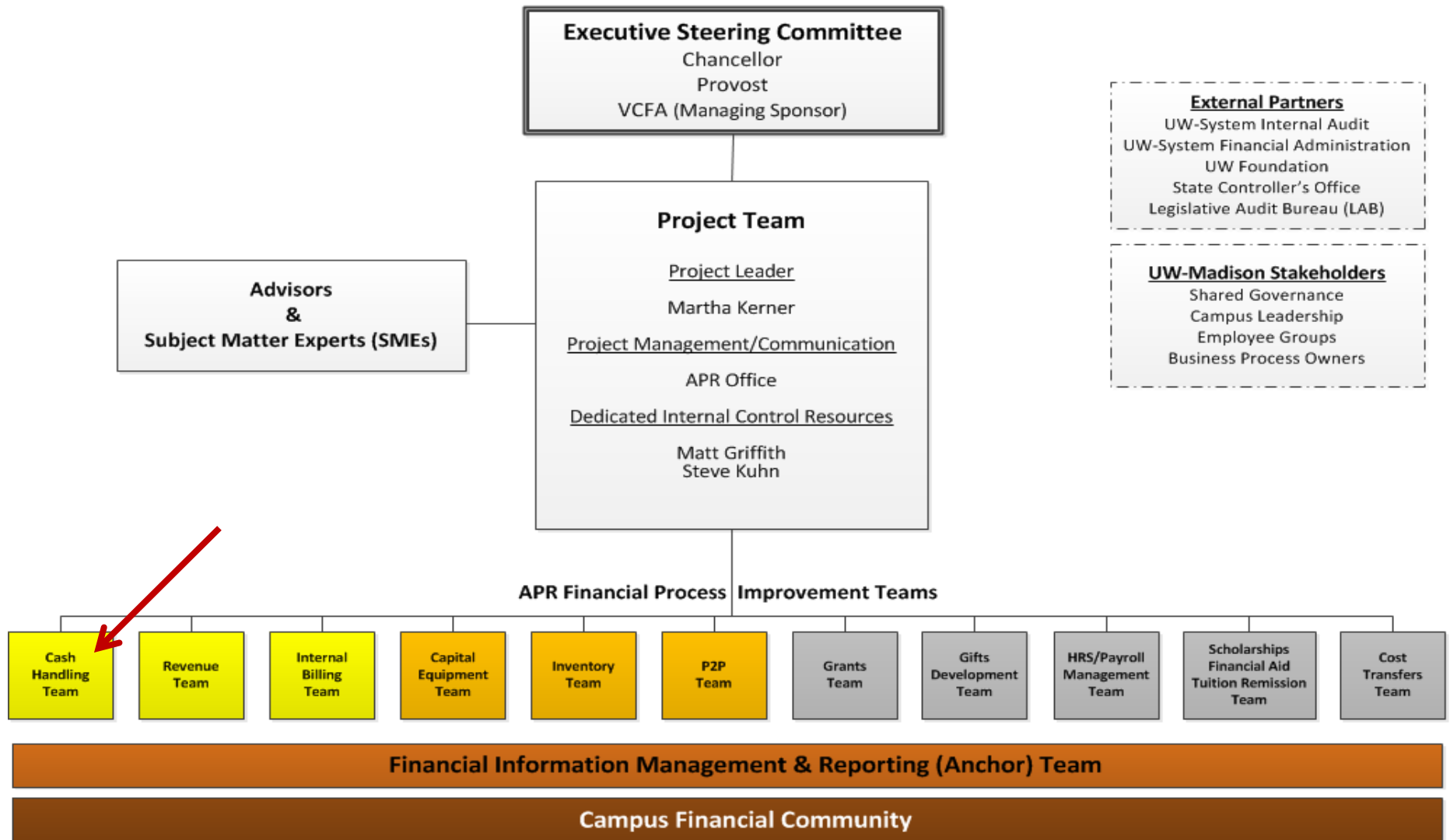
Administrative Council Meeting
June 30, 2016



Agenda

- I. Refresh: Team Background / Goals
- II. June 21, 2016 Report: Key Recommendations
- III. Next Steps

Financial Internal Controls Project Structure

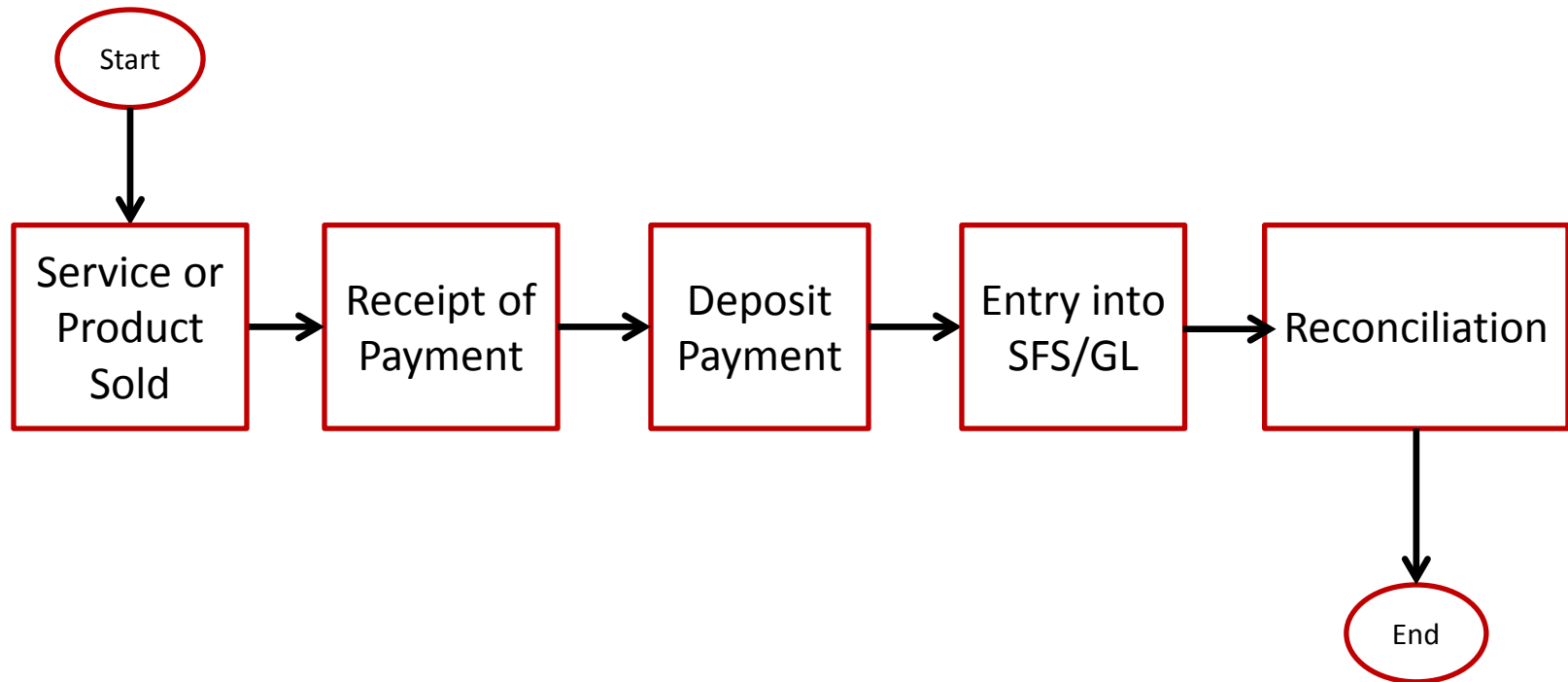


Cash Team Goals

1. Control the receipt, deposit, and safeguarding of cash across UW-Madison.
2. Provide accurate information for financial reporting.
3. Meet applicable state, federal, and industry requirements.
4. Introduce continuous monitoring and improvement activities.
5. Promote the prevention and detection of fraud.
6. Accommodate the diverse business needs of UW-Madison divisions.
7. Optimize the number of areas where cash is received and held.



High Level Process



Key Recommendations

- ❑ Establish a consistent cash management process, from payment receipt to completed bank deposit, that includes controls to secure and accurately account for funds in a timely manner.
 - Minimum requirements for control at point of receipt
 - Establish electronic payments with automatic deposit as the primary method of receipt
 - Channel payments to central remittance locations to minimize departmental deposits; one option is lockboxes
 - Activities must include a reconciliation of cash receipt in SFS GL to their own records

Key Recommendations

- ❑ Strengthen or create a central office to monitor and report on processes for cash handling operations across campus
 - Central unit should assist, train, oversee and monitor campus units that receive cash
 - Set minimum requirements for controls at point of receipt
 - Anchor minimum with policy and procedures

Key Recommendations

- ❑ Implement a central shared invoicing system
 - Consistent remittance information and workflow that feeds into a central A/R system
 - Eliminating time gaps, data entry errors and lost and unidentified items
 - Expand the use of electronic forms of payment

Key Recommendations

- ❑ Streamline the cash advance process and improve controls
 - One central office should be responsible for advancing cash to employees, monitoring outstanding advances, collecting cash back and taking action if cash becomes past due
 - Require repayment of advances within 90 days
 - Establish minimal requirements for cash advances

What's Next

- Identify dependencies with other teams.
- Align and prioritize recommendations
- Develop implementation plans and timelines.