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|---------------------------------|--|------------|--------------|
| <b>Procedure/Process Title:</b> | Direct Depositors  |            |              |
| <b>Summary:</b>                 | A direct depositor is a department who accepts cash/checks and deposits the money directly to the bank (as opposed to sending the money to Student Fiscal Services to be processed centrally). |            |              |
| Date Updated                    | 6/08/08  |            |              |
| <b>Contact information:</b>     |  |            |              |
| Department:                     | Cash Management ( Financial Services)  |            |              |
| Email Address:                  | <a href="mailto:bankrec@u.washington.edu">bankrec@u.washington.edu</a>   | Telephone: | 206-221-7844 |

### Post-dated and Stale-dated Checks

It is university policy not to accept any posted dated checks- checks that are dated with a future date. Any checks that have a date of 6 months old or older, will need to be reissued by the maker as they are considered stale dated and not accepted by banks.

### Direct Depositor Criteria and Authorization

University departments that regularly process a high volume of cash receipts may be authorized to deposit cash receipts directly to a University bank account. Direct depositing speeds the collection of cash, simplifies the number of documents required, and provides quicker departmental access to the funds.

Authorization for direct deposit is granted by Financial Accounting. A request letter should be emailed to [bankrec@u.washington.edu](mailto:bankrec@u.washington.edu).

Departments who are direct depositors may either participate in the automated cash transmittal process or manually create cash transmittals and submit them for processing.

### Automated Cash Transmittals

Departments using the automated cash transmittal process do not create daily cash transmittals. Rather, they will have a unique code (deposit slip number) assigned to them. Approximately 3 business days after the deposit is made to the bank, the credit will show in their budget automatically. There will be one line entry per deposit date with the reference number beginning with "DDEP". The deposit will be credited to a single revenue code selected by the department for their budget.

### Manual Cash Transmittal

Direct depositors who process their own manual cash transmittals may choose to list checks either separately, or summarized by budget number and revenue code on the cash transmittal. Each line on the cash transmittal will appear on the BAR.

To obtain the Cash Transmittal form (UW form 1394) go to <http://www.washington.edu/admin/pubserv/forms/search/> and enter form # 1394. You can download the form as a template. To obtain your cash transmittal number series email [bankrec@u.washington.edu](mailto:bankrec@u.washington.edu)

- ✓ Check the box on the cash transmittal marked "Deposit Slip Only".

- ✓ Run a tape on the checks being deposited and a tape of line totals on cash transmittal form. Both should be equal.
- ✓ The original copy of the cash transmittal is sent with a copy of the deposit slip (see next section) to:
  - Cash Management/Financial Accounting (Box 351120) for Bank of America deposits
  - Student Fiscal Services (Box 355870) for deposits to other banks.

### **Preparing the Deposit Slip (Automated and Manual Cash Transmittal)**

- 1) Only deposit tickets that have the department name and micro-encoded identification number preprinted on them should be used. Email Cash Management at [bankrec@u.washington](mailto:bankrec@u.washington) for deposit tickets. An original and three copies of the deposit slip should be prepared and distributed as follows:
  - Original and first copy to the bank with deposit (bank will validate and return copy)
  - second copy – if manual cash transmittals are used, attach to original copy of cash transmittal.
  - third copy retained in department.
  - second & third copies retained in department if automated cash transmittals are used.
- 2) Attach the tape of checks to the bank's copy of the deposit slip.
- 3) Enter amount of total currency and total checks on deposit slip, and total deposit amount. Also, indicate total items on the deposit slip.

### **Handling Coins and Currency**

When depositing coins, deposit rolled coins rather than loose change. If your department requires large volume of coins for making change for customers, you should keep enough coins on hand rather than having to purchase rolled coins. The University incurs additional bank charges when rolled coins are purchased, or loose change is deposited. Currency should be sorted by denomination, organized to face uniformly, and bundled for deposit. Departments should request coin roll wrappers and currency straps from the bank as needed.

### **Handling Checks**

Checks should be endorsed immediately upon receipts with an endorsement stamp. Endorsement stamps may be ordered from Cash Management ([bankrec@u.washington.edu](mailto:bankrec@u.washington.edu))- there is a one time fee of \$40.00 to order the endorsement stamp Please include your Department name and Budget number(s) with your order.

The stamp includes the following:

- Pay to : Name of bank
- Bank account number and routing transit number (ABA code)
- University of Washington
- Depositing department name and ID#
- Budget Number (optional; will not be included if multiple Budget Numbers)

Direct Deposits should not include checks issued in foreign currency, checks drawn on a foreign bank, or checks that are not micro-encoded at the bottom. Traveler's checks are handled as checks, not currency.

### **Delivery to the Bank**

Bank deposits should be made daily. All checks and cash received should be deposited by the end of the following business day at the latest.

Deposits containing small amounts of currency and checks may be made by department personnel. Deposits that include significant amounts of currency require department to secure the use of armored car service, to provide adequate safeguards. The Associate Controller will approve the use of security service and cover the cost. Departmental staff should be used only when the Associate Controller determines the risk is minimal. Security envelopes (bank plastic seal bag) may be ordered at Cash Management/Financial Accounting. Email [bankrec@u.washington.edu](mailto:bankrec@u.washington.edu)

### **Deposit Error**

If a department makes a deposit error, the bank will issue an adjustment advice to Cash Management/Financial Accounting, who adjusts the appropriate department budget and notifies the depositing department.

### **Records Retention**

Documents supporting deposits should be retained by the department for 3 years.