Financial Processing

Cash Receipt

The Cash Receipt (CR) document is used to record cash and checks received by units, for subsequent deposit into Indiana University’s bank accounts by a central processing unit (such as the Bursar's office), via the Cash Management document (CMD). The CR document creates the specified accounting entries in the KFS. For more information about Cash Management document, see the Cash Management documentation.

The CR document routes for verification and preparation of bank deposits. Each unit that verifies cash receipts and prepares bank deposits uses a Cash Management document (CMD) to consolidate those cash receipts into bank deposits. The actual verification of the CASH RECEIPT is done on the CR document itself. The CMD is the document that manages a drawer. Only the Bursar has the access to create a CMD transaction document.

Recording refunds to the university via the CR document allows you to credit the funds to the account and object code from which they were originally paid. The CR document may be used by university Bursar department staff that collect cash and checks and reconcile a cash drawer, but do not physically make the bank deposit themselves.

The user creating the CR utilizes reconciliation within the CR. After approved, the CR document creates the specified accounting entries in the KFS.

Document Layout

The CR document has its own unique tabs called Cash Reconciliation, Currency and Coin Detail, Change Request, and Check Detail in addition to the standard financial transaction tabs. For more information about the standard tabs, see Standard Tabs in the IU KFS Overview and Introduction.

Cash Reconciliation tab

![Cash Reconciliation tab image](image-url)
### Cash Reconciliation tab definitions:

<table>
<thead>
<tr>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Check Amount</td>
<td>Optional. This field works in conjunction with the Individual Checks/Batches or Total Only list below. When Individual Checks/Batches is selected from the list, it becomes display-only. The system updates this total as checks are added to the Cash Reconciliation document in the Check Detail tab. When Total Only is selected from the list, it becomes an input box for a user to manually enter the Total Check Amount.</td>
</tr>
<tr>
<td>Individual Checks/Batches or Total Only list</td>
<td>Required. Select from the list: Individual Checks/Batches or Total Only.</td>
</tr>
<tr>
<td>Total Currency Amount</td>
<td>Display-only. Calculated from Currency and Coin Detail tab.</td>
</tr>
<tr>
<td>Total Coin Amount</td>
<td>Display-only. Calculated from Currency and Coin Detail tab.</td>
</tr>
<tr>
<td>Cash Reconciliation Total</td>
<td>Display-only. The total currency, coin, and check amount for the CR document.</td>
</tr>
</tbody>
</table>

Click recalculate to update Total Currency Amount and Total Coin Amount from the Currency Coin Detail tab and the Total Check Amount from the Check Detail tab (Checks/Batches mode) and Cash Reconciliation Total.

### Check Entry Mode

You are able to change the check entry mode by selecting either Individual Checks/Batches or Total Only in the list located near the Total Check Amount field. Selecting Total Only allows you to manually enter the total check amount without the detailed check information. When Individual Checks/Batches is selected the system calculates the total amount from the detailed check data entered into the Check Detail tab.

When the Individual Checks/Batches check entry mode is selected, the Total Check Amount field becomes display-only. You must populate the Check Detail tab so that the system can automatically update the total check amount. The system displays the current entry mode in the upper left corner as you change the selection.
When the **Total Only** entry mode is selected, the **Check Detail** tab does not appear in the document and you are prompted to manually enter the **Total Check Amount**.
**Currency and Coin Detail Tab**

The **Currency and Coin Detail** tab allows you to break down the currency and coin that you have received. The totals of the currency and coin amounts are reflected in the **Cash Reconciliation** tab. Once you enter the quantity of each denomination, click on the **recalculate** button to populate the **Total Currency Amount** field.

![Currency and Coin Detail Tab](image)

**Currency and Coin Detail tab definitions:**

<table>
<thead>
<tr>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dollar Count</td>
<td>Optional. Enter the total dollars per type of currency. If the type of currency is not hundred, fifty, twenty, ten, five, two, or one dollar bill, enter the total into the <strong>Other Dollar Amount</strong> box.</td>
</tr>
<tr>
<td>Cent Count</td>
<td>Optional. Enter the total cents per type of coin. If the type of coin is not hundred, fifty, twenty, ten, five, or one cent coin, enter the total into the <strong>Other Cent Amount</strong> box.</td>
</tr>
</tbody>
</table>

**Check Detail Tab**

Completion of this tab is required only when Individual Checks/Batches is selected in the **Cash Reconciliation** tab. If **Total Only** is selected in the **Cash Reconciliation** tab, completion of the **Check Detail** tab is not required.

![Check Detail Tab](image)

**Check Detail tab definitions:**

<table>
<thead>
<tr>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Check/Batch#</td>
<td>Required. Enter the check number or batch number.</td>
</tr>
</tbody>
</table>
Date | Required. Enter the actual date of the receipt or select it from the Calendar.
---|---
Description | Optional. Enter the name of payer or other description as appropriate.
Amt | Required. Enter the check amount.

**Change Request Tab**

The **Change Request** tab allows you to request change from the currency and coin involved in your transaction. The change out function reduces the required deposit by the requested amount. The function would be used in situations where a department only has large bills in its change drawer and needs to stock its drawer to be able to make change. Example: department has $50. (5x$10) $20 is income, $30 is change. It deposits all 5 $10 bills and requests $30 in change. (10 $1s, 2 $5s, the rest in coins) The accounting line would only reflect the $20 of income.

**Change Request tab definitions:**

<table>
<thead>
<tr>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dollar Count</td>
<td>Optional. Enter the total dollars per type of currency. If the type of currency is not hundred, fifty, twenty, ten, five, two, or one dollar bill, enter the total into the Other Dollar Amount box.</td>
</tr>
<tr>
<td>Cent Count</td>
<td>Optional. Enter the total cents per type of coin. If the type of coin is not hundred, fifty, twenty, ten, five, or one cent coin, enter the total into the Other Cent Amount box.</td>
</tr>
</tbody>
</table>

**Remaining tab sections**

The **Accounting Lines**, **Capital Edit**, **General Ledger Pending Entries**, **Notes and Attachments**, **Ad Hoc Recipients**, and **Route Log** tab sections are standard KFS Financial Processing module features and explained in detail in the [IU KFS Overview and Introduction document](#).

**Process Overview**

**Business Rules**

- The **Check Amount**, **Total Currency**, **Amount**, and **Total Coin Amount** must be zero or greater.
- The **Cash Reconciliation Total** must be equal to the total of the **Accounting Lines** tab.
- There must be at least one accounting line in the document.
- The CR document is one-sided. The KFS automatically generates the other side of the entry affecting the cash account, as defined by the data entered into the document.
• The object code restrictions are as follows.

### Table 1: Object sub type code restrictions for CR documents

<table>
<thead>
<tr>
<th>Object Sub Type Code</th>
<th>Description</th>
<th>Restrictions</th>
</tr>
</thead>
<tbody>
<tr>
<td>BU</td>
<td>Budget Only Object Codes</td>
<td>Unallowable</td>
</tr>
<tr>
<td>CA</td>
<td>Cash</td>
<td>Unallowable</td>
</tr>
<tr>
<td>CE</td>
<td>Cost Recovery Expense</td>
<td>Unallowable</td>
</tr>
<tr>
<td>FB</td>
<td>Fund Balance</td>
<td>Unallowable</td>
</tr>
<tr>
<td>FR</td>
<td>Fringe Benefits</td>
<td>Unallowable</td>
</tr>
<tr>
<td>HW</td>
<td>Hourly Wages</td>
<td>Unallowable</td>
</tr>
<tr>
<td>MT</td>
<td>Mandatory Transfers</td>
<td>Unallowable</td>
</tr>
<tr>
<td>PL</td>
<td>Capital Assets</td>
<td>Unallowable</td>
</tr>
<tr>
<td>RE</td>
<td>Reserves</td>
<td>Unallowable</td>
</tr>
<tr>
<td>SA</td>
<td>Salary and Wages</td>
<td>Unallowable</td>
</tr>
<tr>
<td>VA</td>
<td>Valuations and Adjustments</td>
<td>Unallowable</td>
</tr>
</tbody>
</table>

### Table 2: Object type code restrictions for CR documents

<table>
<thead>
<tr>
<th>Object Type Code</th>
<th>Description</th>
<th>Restrictions</th>
</tr>
</thead>
<tbody>
<tr>
<td>ES</td>
<td>Equipment Start-Up Costs</td>
<td>Unallowable</td>
</tr>
<tr>
<td>IC</td>
<td>Income Not Cash</td>
<td>Unallowable</td>
</tr>
</tbody>
</table>

### Table 3: Consolidated object code restrictions for CR documents

<table>
<thead>
<tr>
<th>Consolidated Object Code</th>
<th>Description</th>
<th>Restrictions</th>
</tr>
</thead>
<tbody>
<tr>
<td>FDBL</td>
<td>Fund Balance</td>
<td>Unallowable</td>
</tr>
</tbody>
</table>

**Important Notes on Making Corrections**

- If a CR has been initiated and approved, but the accounting line information was incorrect, use the General Error Correction (GEC) document to make corrections.
- If the total amount of a CR is incorrect, use the Advance Deposit (AD) document to make the correction.
- For more information about the GEC and AD documents, see the documentation for them.

**How to Initiate a CR Document**

1. Select **Cash Receipt** from the **Financial Processing** submenu group in the **Transactions** submenu on the **Main Menu** tab.
2. Log into the KFS as necessary.
   A blank CR document with a new document ID appears.
3. Complete the standard tabs.
If entering a refund (using an expense object code rather than an income object code) enter the dollar amount as a negative number in the Accounting Lines tab.

If entering a cash receipt for a capital asset, enter the appropriate existing asset number in the Retrieve Asset to be Updated section of the Capital Edit tab and use the Accounting Lines tab to specify the account from which the cash comes. You cannot enter a new asset for a cash receipt.

**Note:** For information about the standard tabs such as Document Overview, Notes and Attachments, Ad Hoc Recipients, Route Log, Accounting Lines and Capital Edit tabs, see Standard Tabs in the Overview of the Kuali Financial System.

4. Complete the Coin and Currency Detail tab, if currency and coins are received.

5. Complete the Check Detail tab, if Individual Checks/Batches entry mode is selected.

6. If Total Only mode, enter the Check Amount in the Cash Reconciliation tab.

7. Click recalculate to update the Total Currency Amount, Total Coin Amount, and Cash Reconciliation Total fields (display-only).

8. Click add after entering information for each check or batch. Each time you add a check or batch, the Total Check Amount, Total Currency Amount, Total Coin Amount, and Cash Reconciliation Total fields in the Check Reconciliation tab are updated.

![Image of Cash Reconciliation tab]

9. Ad-hoc route the document to another user (optional).

   If you wish another user (such as the fiscal officer) to approve or review the document before the approval by the central processing area, select the requested action from the Action Requested list, and enter the approver's username in the Person box or select it from the person lookup.

10. Click submit.

    Unless the ad hoc recipients are specified, the document is directly routed to the members of the KFS-FP Cash Manager role associated with the initiator's campus code. A member of this role must approve this document for it to be completed.

11. Print the Cash Receipt Cover Sheet, if necessary. (see instructions below)
12. Review the **General Ledger Pending Entries** tab. The pending entries include offset generated lines to cash or fund balance object codes.

13. Review the **Route Log** tab.

14. A fiscal officer approves the document if requested by the initiator through ad hoc routing.

15. A member of KFS-FP Cash Manager role approves the document. The central processing area should reconcile the amount received for deposit with the cash receipt media breakdown and the CR documents, verify the CR document by confirming the amount of the media, and then approve the CR document.

After a CR document has been included in a deposit as a part of a Cash Management document, the CR is updated to display the Cash Management document number above the Document Overview tab.

**Example**

The university received a check to refund a conference registration fee. In the **Accounting Line** tab, enter the account and expense object from which the funds were originally paid and enter the amount as a negative number. Because an expense object is being used with a negative amount, the system credits the expense object code, returning the funds to the account they originally came from. The pending entries include the credit to expense and offset generation to the cash.

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**Print Cash Receipt Cover Sheet Option**

If you need to send a paper copy of the CR document to the verifying unit along with the accompanying media (cash, checks, coins, etc.) you can print a PDF version of a cash receipt by clicking the **Print Cash Receipt Coversheet** link which appears in the top middle area of the document after submitting the document.
The cash receipt cover sheet in the PDF format appears as follows:

![Cash Receipt cover sheet](image)

Figure 11 - Cash Receipt cover sheet

**Reporting Tax Information**

Tax collection is a part of the Cash Receipt. Each month, the university is required to report and remit sales tax collected to the State of Indiana. Annually IU is required to report gross sales, taxable sales, the amount of sales tax remitted, and the county for which the sale occurred. Users must enter the required information in the Accounting Lines tab section.

When your organization has sales that collect the Indiana state sales tax, you will use the Cash Receipt to deposit the tax collected. You use account number 96-127-79, object code 9015, to enter tax information in a new line. The following information must be entered:

- Account number that had the sales
- Gross Sales
- Taxable Sales
- Month and four-digit year for which the sales tax was collected

If the account and object code combination is entered on more than one line of the Cash Receipt document, you must enter this new information for each line with that combination. To see frequently asked question about when sales tax needs to be collected, see [http://www.fms.indiana.edu/tax/sales/SalesTaxHome.asp](http://www.fms.indiana.edu/tax/sales/SalesTaxHome.asp). For specific help on
reporting sales and innkeepers tax, see this document at http://www.fms.indiana.edu/tax/sales/SalesTaxHome.asp. The link on reporting sales and innkeepers tax information (http://www.fms.indiana.edu/tax/sales/process.pdf) includes a list of the 96-127-XX tax account numbers associated with the 9015 object code.

For additional assistance with reporting tax information, e-mail the FMS tax dept. at taxpayer@.indiana.edu.

**Correcting a Cash Receipt**

If a Cash Receipt has been initiated and approved, but was incorrect, the following process should be used to correct the transaction.

If an incorrect account or object code was used, go to the General Error Correction (GEC) in the Financial Processing module. To initiate a new GEC document to make corrections, click on the Create button.

If an amount was entered incorrectly, a negative Cash Receipt document must be initiated. Use the same account number and object code as on the original Cash Receipt, but put in a negative amount.