**CARDINAL BOOKSTORE – MOUNT VERNON (MV)**

**UPDATED INTERNAL CONTROLS**

**Point of Sale (POS) & Store Control System (SCS) Overview**

The bookstore has maintained Sequoia Retail System’s Point of Sale (POS) and Store Control System (SCS) since 2001. The POS system processes pre-printed/pre-numbered computerized receipts for all transactions and inventory control functions, and handles SKU level scanning of merchandise and inventory. The Mount Vernon Cardinal Bookstore operates with four cash registers, one mobile handheld POS device, and a website where customers can place online orders for course materials and store merchandise. The sales registers and ePOS online order system provide individual receipts for all transactions including sales, returns, exchanges, the sale and redemption of gift certificates, etc.

The bookstore accepts cash, check, credit cards, agency accounts, department charges, and gift certificates as forms of payment.

The type of tender accepted for each transaction is recorded on the individual receipts and specifically designates the amount paid by cash, check, bank card, agency accounts, (internal) department charges, and/or gift certificates. The bookstore is able to process split tender transactions.

The sales registers maintain an electronic journal of all transactions.

**Store Safe**

The store maintains a drop safe in the backroom to safeguard all cash, bank deposits, store credit cards, and other valuables. The safe has a pull down drop drawer so cashiers are able to place bank deposits into the safe without accessing the contents of the safe.

Currently, three full time bookstore employees hold the combination to the safe, Kim Hall, Janet DeJesus, Gayle Ledent, as well as Katya Zhekovska from the Business Office. This is necessary due to store scheduling, and the responsibility of assigning floats to cashiers, making change, issuing deposits to armored transport, etc.

The safe remains locked at all times and at no time is the safe to be left open when it is unattended.

The combination to the safe is changed whenever there is a change in the store’s staff that holds the combination to the safe.

**Cash & Floats**

The store maintains a change float in the amount of $600 and six cashier floats of $200 each, for a total of $1800.

The change float and cashier floats are secured in the store safe at all times unless a float is assigned to a cashier.

The week prior to the start of the quarter, the store requests an additional cash float in order to handle cash refunds through the Rush Week period. The amount of the cash refund float is generally $3,000. These monies are reconciled on a daily basis and at the end of the Rush Week period, the remaining monies are deposited.

All cash and floats are counted and verified on a monthly basis and more frequently if required.

**Bank Change Orders**

When a change order from the bank is requested, the store manager or assistant manager arranges for the monies to be transferred to and from the bank by SVC Security Services.

The Security Services member who handles the change order is required to verify the monies to be taken to the bank and they sign a Log Book verifying receipt of the monies.

The money for change orders is issued to Security Services by the store manager or assistant manager.

Then when the monies are returned to the bookstore either the store manager or assistant manager will verify the monies returned by Security Services personnel.

**Cashier Controls & Cash Drawers**

At the start of each cashier’s shift, the cashier is assigned their own locked bank bag containing the starting cash drawer balance, or float.

The locked float bags are kept inside their locked safe when not in use.

The cashier and bookstore manager are the only employees with a key to the locked bag.

The bookstore has six to eight part-time cashiers and three full time bookstore personnel who are all trained to serve as cashiers when required.

A schedule is prepared each morning which outlines who will serve as cashiers during the business day, and also designates who is assigned to cashier during lunch and break schedules. When a cashier is on break, the cashier who covers for them is required to have their own float and must be logged on to the register using their own cashier number.

The amount of the assigned float for each cashier is $200.00.

Cashiers are required to verify the float count at the start of each shift.

When cashiering, the cash from the cashier’s locked float bag is placed inside the cash drawer of the register.

The cash drawer to the register is locked at all times.

The register drawer opens only if the cashier logs into the register and performs a transaction. The drawer will also open with a Manager’s key to the register. Manager’s register keys are not to be left in the register and are kept in a locked drawer at the front counter.

Each cashier is assigned an individual cashier number and their own password to sign on to the register.

The cashier’s number identifies who performs each transaction during a session and this information is recorded on the electronic journal.

Only one cashier may be signed on to the cash register/cash drawer at a time.

The bookstore has four cash registers, so generally through a routine business day; each cashier will be assigned to a different register and will use that particular register throughout their shift.

Transactions are tracked by cashier number rather than by register number, so even if a cashier changes registers through the day for any reason, the transactions and reconciliation reports are still tracked according to the cashier.

During peak sales periods such as Rush Week each quarter, if there are more than four cashiers on shift at any given time, the cash drawer for the cashiers that are not logged on are secured in locking drawers at the front counter. Only the cashier and the store manager have keys to the locking cabinets when the cash is placed in the drawer.

**Daily Cash Reconciliation Reports & Bank Deposits**

Cashiers are responsible for reconciling their own cash drawer at the end of their shift.

Their Daily Cashiering Summary (X-report) is printed from the POS system and this is attached to the store Daily Sales Reconciliation Form.

Cashiers are required to prepare daily sales reports in the back room of the bookstore which is a secure area designated for Employees Only. While cashiers are preparing deposits and completing reconciliation reports at no time are they to leave cash unattended.

Cashiers are required to prepare their own bank deposits.

Bank deposits consist of one original and three carbon copies.

* The original deposit slip and one of the copies is placed with cash and checks to be deposited inside a tamper-proof bank bag.
* The third copy of the bank deposit slip is attached to the daily sales reconciliation report.
* The fourth copy of the bank deposit slip remains in the bank deposit book.

All cashiers maintain the same bank deposit book and deposits are completed in a chronological order which allows Business Office to verify deposits submitted by the bookstore on a daily basis.

Once the cashier has completed the bank deposit, they then enter the deposit information in the store’s Daily Safe Deposit Log.

The cashier is then required to have the store manager or assistant manager review the deposit and the reconciliation report, and sign as a witness for the deposit as it is placed in the safe.

Any cash overage or shortage of $5.00 or more is to be reported immediately to the store manager, or assistant manager in the manager’s absence. Discrepancies greater than $5.00 are investigated by the store manager and/or assistant manager.

The store does not maintain a ‘*slush*’ fund in order to ‘*balance*’ sales reports and deposits.

Once the deposit is complete, it is placed by the cashier in the drop safe where it is secured until the deposits are prepared for pick up by the armored transport service the following business day.

**Verification of Daily Cash Reconciliation Reports & Bank Deposits**

The store’s daily reconciliation reports include a Verifone report that confirms the successful settlement of all bank card transactions. If a report ever indicates the settlement is ‘*unsuccessful,’* then the store manager or assistant manager must investigate the problem and resolve the issue.

The Daily Cashier Summary reports from the POS system and Daily Sales Reconciliation Forms are compiled by the store assistant manager, or the store manager. The assistant manager is also responsible for ensuring the Daily Sales Reconciliation Form, Cashiering Summary Report, and all bank deposits and bank card settlement reports balance and that any overages or shortages are reported accordingly.

These daily summary reports are consolidated after the information is verified and then the reports are submitted to Katya Zhekovska in the Business Office.

Each day someone from the Business Office reconciles the bookstore deposit slips to the actual deposits at the bank to ensure all deposits submitted through the armored transport service are deposited to the bank.

**Daily Z-reports**

The store’s POS/SCC system generates daily Z-reports which follow a numerical sequence as a store control mechanism.

By maintaining a record of the Z-reports, the store is safeguarded from bookstore personnel processing unauthorized closing of a portion of the store’s business during the day. Z-reports are scheduled to run automatically after the close of the business day along with the other store reconciliation reports generated by the POS/SCS system. If in the event a Z-report control number was out of sequence, it would indicate that there may have been tampering with the store closing reports for that particular day, and that the situation should be investigated.

The Z-report control numbers are recorded on a daily basis in order to verify that all Z-reports are accounted for.

The Z-Reports control numbers are entered and maintained in a Z-Report Log Book

**Online Orders (ePOS)**

The bookstore operates a website, [www.cardinalbookstre.com](http://www.cardinalbookstre.com) which allows for the purchase of course materials and other store merchandise.

Transactions processed through the bookstore website may be paid by bank card only. These bank card transactions are subject to the same clearing and settlement process as bank card transactions processed at the register in the store.

The Daily Reconciliation Report for online transactions is compiled with the Daily Summary Reports at the end of each business day. The online transactions are processed under a separate Merchant ID number and are processed on a separate Verifone settlement report. The transactions are included with the store’s daily reconciliation reports.

Online orders meet Payment Card Industry (PCI) compliance standards.

Refunds for online orders must only be processed through the online order system (ePOS) and are not processed at the register.

All online orders are processed at the Mount Vernon store only.

**Handheld Mobile POS Device**

From time to time during Rush Week or other heavy traffic volume periods, the bookstore utilizes a handheld mobile POS device to process bank card transactions only. The device is used in the store only and is not used outside of the store. No cash or check transactions are processed with the handheld device, and the cashier assigned to operate the handheld device is responsible for submitting the reconciliation reports which include transactions processed by the device.

**Refunds and Exchanges**

The store process refunds and exchanges for merchandise purchased at the store according to the store’s return policy.

The return policy is printed out and manually attached to each receipt issued to customers at the point of purchase.

Returns are only processed by the same tender originally received.

All returns and exchanges must be approved by the store manager or assistant manager.

Cash refunds require a signature by the customer for the receipt of the cash and must be signed by the cashier issuing the refund and the manager authorizing the return.

At no time are cash refunds to be processed unless a cashier has enough cash sales in their respective drawer to offset the sales so that the float does not move to a negative cash position.

If the cashier does not have enough cash to process a cash transaction, then a manual check request is submitted to the Business Office for the amount of the refund.

The only exception would be cash refunds that are processed through the Cash Refund Float set up during Rush Week. These transactions are processed under a specific Cashier Log in for tracking and reconciliation purposes. Only the manager, or assistant manager, are authorized to process transactions from the Cash Refund Float. Once Rush Week is over, the remaining funds are reconciled and deposited.

The Business Office then mails a check directly to the customer.

Manual Check requests require the approval of the store manager or assistant manager and must be processed by completing a Manual Check Requisition Form.

**Voids**

Cashiers are authorized to process VOIDs for transactions when the tendering process has not yet begun. This basic register operational feature allows cashiers to correct mistakes in processing transactions **prior** to the start of the tendering process only.

VOIDED transactions are tracked and recorded in the POS/SCS system.

Cashiers must sign VOID transaction receipts and the VOID transaction receipts must be maintained and submitted with the cashier’s Daily Reconciliation Report.

Only the store manager or the assistant manager are authorized to **POST VOID**  a transaction which corrects VOIDED transactions that were made **AFTER** the start of the tendering process.

Both the cashier and the store manager who completed the POST VOID must sign the POST VOID receipt.

POST VOIDS must be processed on the same register as the original transaction.

The POST VOID receipt then must be attached to the original VOIDED receipt and these receipts must be included with the cashier’s Daily Reconciliation Reports.

Cashiers are not authorized to complete their own POST VOID.

If the original VOID was made by the store manager or assistant manager, then one of the other managers is required to complete the POST VOID.

**Payments Received By Mail**

The bookstore does not accept cash or bank card payments received through the mail.

Occasionally, when customers do not have a bank card to make purchases through the bookstore’s web site, customers make special arrangements to submit a check for store purchases.

These transactions are arranged with advance approval of the store manager. The customer is provided with the total the merchandise to be purchased including all taxes and any handling or shipping charges.

The merchandise is placed on hold at the store, and once the check is received by the store, and it is verified that it is made payable to: Cardinal Bookstore, the transaction is processed according to regular procedures for check transactions.

The receipt is then provided to the customer along with the merchandise and is either held in the store to be picked up or shipped to the customer as it has been arranged.

**Cash Receipted at Non-Cashier Location**

The bookstore does not process cash transactions outside of the bookstore.

**Store Credit Cards (VISA)**

The bookstore has been assigned two Visa credit cards for store use.

Both credit cards are kept in the store safe when not in use.

One card is specifically designated for the purchase or store resale items, and the other is solely designated for store supplies and operational expenses required by the bookstore.

Although all full time staff have access to the contents of the safe, the only employees authorized to make charges with the store credit cards are the store manager and the manager.

The assistant manager must obtain advance approval from the manager in order to use either of the credit cards.

If necessary, the credit cards can be signed out by either the manager, or the assistant manager to purchase merchandise or supplies off campus.

There is a Sign Out Log Book in the safe if the card is taken out of the store.

It is a store policy that the cards must remain in the store safe at all times when not in use.

**Department/Agency Account Charges & Transactions**

All SVC Department and agency account purchases must be set up with appropriate purchase order, voucher, or other authorizing documentation which verifies payment to the bookstore for the products and services designated by the department or agency.

Department or agency account purchases processed through the sales registers must be made by staff members or students/customers designated on the voucher or purchase order.

Invoices for department charges are typically processed on month, and student agency accounts are processed on a quarterly basis. The Business Office processes invoices to the respective parties on behalf of the bookstore.

**Inventory Adjustments**

Inventory adjustments are required in order to make corrections for receiving, damaged items, stale dated products, to create packages, to take apart packages, etc.

All inventory adjustments require approval by the store manager and must only be completed by the store manager or assistant manager, or under direct supervision of the store manager or assistant manager.

The SCS provides individual reports for all inventory adjustments. Inventory adjustments must be signed by two individuals, the person who completed the adjustment in the system and the manager who authorized the adjustment.

Inventory adjustments are maintained with the store’s annual year end archive.