

## St. Cloud State University Cash Handling Policy

### INTRODUCTION

- This document establishes the St. Cloud State University's ("SCSU") policies and procedures related to handling and processing cash and cash equivalents. Its purpose is to ensure that these SCSU assets are protected, accurately processed, and properly reported.
- Certain basic internal control principles must be adhered to in regards to collecting and accounting for cash and cash equivalents. These basic principles are discussed below:

#### A. KEY OBJECTIVES OF THIS DOCUMENT:

##### 1. Accountability

- Ensures that SCSU employees who process and/or handle cash and cash equivalents can be held responsible in fulfilling their duties.
- Accountability is present when the following three (3) areas are addressed:
  - a) Knowledge of who has or had access to, and why he/she has or had access to, cash and cash equivalents;
  - b) Knowledge of where cash or cash equivalent assets are at all times; and
  - c) Knowledge of what transpired from the beginning of a cash handling process to the conclusion of the process.

##### 2. Separation of Duties

- Ensures that two (2) or more qualified and authorized persons are involved in the activities related to the collection, handling, depositing, and accounting processes.

##### 3. Security (Physical and Information)

- Ensures that employees involved in the handling of cash and cash equivalents are, at all times, protected from physical harm.
- Ensure that cash and cash equivalents are, at all times, protected from loss or misuse.
- Ensure that technology resources (i.e. hardware and confidential payment information) are, at all times, protected from loss, corruption or compromise to confidentiality.

##### 4. Reconciliation of Accounts

- Provides assurance that cash and cash equivalents collected and reported as deposited are deposited accurately and timely into authorized SCSU bank accounts.
- Provides assurance that general ledger recordings/transactions are accurate.

## **B. DEFINITIONS**

For purposes of this document:

1. The term “Campus” is defined as a SCSU Campus or other official SCSU location.
2. Cash Handling Units are defined generally as follows for assignment of responsibility:
  - a. Main Cashiering Office: Located in Building AS 123 and is where collections are deposited directly to a SCSU bank account. Performing cashiering activities is a primary function of this office.
  - b. Satellite Cashiering Offices: Campus operating unit from which collections are deposited to a Main Cashiering Office. Satellite Cashiering Offices may deposit directly to approved depository bank accounts on behalf of Main Cashiering Office.
3. Types of Payments Received -- Cash and Cash Equivalents:
  - a. Currency and Coin (“Cash”): Currency and Coin are the most liquid of assets and must be immediately, and at all times, protected against loss or misuse.
  - b. Cash Equivalents (Checks, Money Orders, Travelers Cheques, Cashier’s Checks, Certified Checks)
  - c. Automated Clearing House Payments (ACH). ACH transactions are electronic payment instructions).
  - d. Wire Transfers.
  - e. Credit and Debit Cards.
  - f. Change Funds are used to provide a constant amount of change, both in currency and coin, at cash collection offices.

## **C. SALE OF ADMISSION OR EVENT TICKETS**

1. Sale of Admission or Event Tickets must be consecutively pre-numbered or produced by electronic means, when the numbering system is not accessible to ticket sellers. All ticket sales must be balanced to their generated revenue on a daily basis. When admission tickets or individual items are sold at the gates of athletic or other events, cashiering equipment may not always be present, nor receipts issued. The Campus department selling tickets or other items must develop adequate controls to safeguard tickets, including the use of pre-numbered tickets and cash collections to ensure that the number of tickets or items sold corresponds to the expected revenue from the sale of the tickets or items. These controls must be reviewed and maintained for audit purposes.

2. A full accounting of “tickets sold” against cash received and amount posted to the General Ledger should be completed periodically to make certain that assets distributed at the point of sale are properly converted to cash and that the cash is being deposited into the cashier’s cash box.

#### **D. RECEIPT RECORD AND AGREEMENT**

Some controlled method of accounting should be used to record the receipt of payments by the department when automated cashiering or Point of Sale systems are not in use. When an individual makes a payment in person, issuance of a pre-numbered receipt should be completed. A duplicate copy of the receipt should be maintained by the department. Cash collections during business hours should be directed, if possible, to the Cashier’s Office for receipt processing.

The department understands and agrees to abide by the following terms:

1. Student ID’s will be recorded on each individual check or money order if applicable.
2. Two party checks will not be accepted.
3. All checks will be immediately endorsed or delivered to the Cashier’s office.
4. Deposits will be made on a daily basis, if possible. If for any reason a deposit cannot be made, deposit will be kept in a safe or vault.

#### **E. INTERNAL CONTROL RULES AND SECURITY**

1. Internal control rules that should be followed are:
  - a. The designee responsible for the collection and receipt of payments is the only person who can have access to the money collected.
  - b. The individual who authorizes departmental refunds cannot be the same individual who collects the money.
  - c. The designee who is responsible for cashiering records and money must assure funds are properly safeguarded in a safe or vault. Department heads should aid in this process.
  - d. If the staff is someone “other than” the designee the designee must verify the money with the cashiering totals.
  - e. COLLECTION OF CHECKS CANNOT BE HELD FOR ACCUMULATION.
  - f. Offices that do not have a safe or vault must lock cash in a secured file cabinet or other mechanism providing comparable safekeeping.
2. Safeguarding Receipts - General

- a. Entry to the Cashiering area/station is to be restricted to known, authorized personnel.
- b. Safe combinations, alarm codes and office keys shall be restricted to a minimum number of employees.
- c. Safe combinations, alarm codes and office keys should be changed periodically and in particular when there is a change in office personnel having said access.
- d. A log shall be maintained of those entrusted with vault combinations and security gate keys. Indicate changes in personnel and include dates that the combinations are changed.
- e. Vault access is to be restricted at all times. If access is necessary by any other person other than those designated, a designated employee **MUST** accompany that person (i.e. Armored Courier Service, safe repair, etc.).
- f. Immediately report to appropriate campus officials loss or suspected loss of cash or checks.

### **3. Segregation of Duties**

A key element in a system of internal control is separation of duties. Duties are to be separated to the extent possible in every area that handles cash. Appropriate controls must be in place at all times. There is to be a system of checks and balances in which different individuals perform tasks for adequate control. Cash item handling, record keeping and reconciliation will be assigned to different people, even for agencies with automated accounting processes. A second person will verify reconciliation and deposit of cash items. When complete segregation of duties is not possible, it is the appropriate departmental director or designee's responsibility to scrutinize all documents to ensure that the amount deposited includes everything that was collected.

### **F. RESPONSIBILITY OF A DESIGNATED STAFF PERFORMING CASH RECEIPTS**

1. Count change fund before opening a batch (if applicable) or collecting receipts.
2. Each transaction shall have a unique pre-numbered receipt. This information shall be stored and maintained.
3. All money received shall be accompanied by supporting documentation which indicates the account(s) to be credited. These forms are to be retained for audit

purposes either by the Cashier's Office, Accounting Department or Internal/External Auditor's Office.

4. All checks, money orders, traveler's checks, and cashier's checks shall be immediately endorsed (if endorsement is available). The student identification number or receipt number shall be referenced on the check.
5. Count all monies and balance receipts at the end of the business day, preferably when the office is not open to the public. All cash/checks received are to be maintained in a secured cash drawer.
6. Retain copies of voided receipts or reversed sale receipts.
7. The cashier must lock the drawer when leaving their station for lunch and breaks.
8. All deposits will be prepared and logged daily.
9. Ensure that procedures are in order for transfer of accountability when collections are given to the supervisor or other authorized personnel.
10. All personnel are responsible for immediately reporting any suspicious, threatening or unsafe actions to the supervisor or Office Manager.
11. NEVER FORWARD MONEY VIA CAMPUS MAIL.
12. No IOU's allowed under any circumstances.
13. For departments with change/petty cash funds, an internal count must be performed at least, once a week by a supervisor or authorized personnel.
14. Use locked or tamper-free deposit bags for courier service and/or for transmitting large sums to the Cashier's Office for deposit.

#### **G. DEPARTMENTAL DEPOSITS.**

All monies received by departments must be delivered to the Cashier's Office for processing no later than the following work day.

1. Procedure - Departments will process their payments as follows:
  - a. Checks must be endorsed with the endorsement stamp (if available) on the date of receipt to prevent being negotiated if lost or stolen.
  - b. Run an adding machine tape to get check totals and number of checks per batch.
  - c. Summarize the deposit on the Departmental Deposit Sheet which can be found at <http://www.stcloudstate.edu/businessservices/forms/default.asp>
  - d. Deliver the batch to the Cashier's Office.

2. Departmental deposit forms must be prepared and should include the following information whenever applicable:
  - Total Amount Deposited
  - Currency and coins (if applicable)
  - Checks
  - Departmental account numbers to be credited and the amount credited to each account
  - Brief description of reason for payments, Overages/Shortages, invoice numbers or other source documents (if applicable)
  - Name of individual making the deposit
  - Indication of whether the item(s) are taxable or nontaxable sales (if applicable)
  
3. Sorting Currency, Checks and Credit Card Transmittal Slips – Deposits should be organized using the following method:
  - Currency should be sorted by denomination.
  - Checks, money orders, traveler's checks and cashier's checks should be sorted by type. An adding machine tape should be included with the total and number of items, initialed by the preparer and dated.

**H. THE CASHIER'S OFFICE WILL PROCESS DEPARTMENTAL PAYMENTS AS FOLLOWS:**

Check the information written on each check with the special attention to the following:

1. The written amount must be the same as the numeric amount. If there is a discrepancy, deduct the amount from the Departmental Deposit Sheet total and explain the deposit discrepancy on the space provided on the back of the Departmental Deposit Sheet.
2. Total up checks (run twice on adding machine tape and keep tapes for end-of-day balancing) and compare with total on tape provided by the department.
3. Enter transaction as a departmental deposit. Validate the department's Deposit Sheet, attach a receipt to it and keep with daily work.
4. Send a copy of the receipt to the department making the deposit.