



Idaho State University

POLICIES AND PROCEDURES

Cash Management

ISUPP 2350

POLICY INFORMATION

Policy Section: *Finance*

Policy Title: *Cash Management*

Responsible Executive (RE): *Chief Financial Officer*

Sponsoring Organization (SO): *Controller's Office*

Effective Dates: *3-10-2014; February 17, 2016*

Last Reviewed: *November 2023*

I. INTRODUCTION

The University Cashier's Office, located on the third floor of the Administration Building, serves as the official, central depository for collecting, receipting, and processing funds from student tuition and fees, as well as funds collected by various departments and organizations within the campus community. This policy is intended to guide University personnel and students in the proper use of cash, to ensure University funds are handled appropriately and to facilitate effective money management.

II. POLICY STATEMENT

Under the supervision of the University Controller, the Cashier's Office is directly responsible for all cash transactions on campus and provides guidance and internal controls for departments who process cash transactions for the University. Generally, all payments on accounts by students, employees, and others are made at the Cashier's Office. The University Cashier collects all money received from students, staff, and external sources, as well as funds collected by other University Departments for sales, services, fees, and other deposits.

University departments must be authorized by the University Controller to collect money from students, staff, or other sources. Cash sales and collections may be authorized at locations such as the Parking Office, Holt Arena, the Performing Arts Center, Clinics, and other select locations.

Points of collection must first be authorized by the Controller's Office before they can begin collecting cash. Authorized departments must have cash collection equipment, and processes, and internal control required to meet established University and State Procedures.

Revenues should be deposited daily with the Cashier's Office for amounts greater than or equal to \$100. Amounts less than \$100 must be deposited at least weekly. Any funds less than \$100 that are being held for a weekly deposit must be kept locked in a secure place with limited access by department personnel between deposit dates. In no instance should any funds be held for more than five (5) working days. Each department that makes more than five deposits per year that include checks should have a restrictive endorsement stamp with their department name. All collection points are subject to audit by the Controller's Office and Internal Audit.

III. AUTHORITY AND RESPONSIBILITIES

A. The Cashier's Office is responsible for:

1. Ensuring payments and credits are safeguarded and accurately applied to each student account in a timely manner.
2. Receiving and accepting departmental funds and recording those deposits in the Banner system accurately and in a timely manner.
3. Providing reimbursement to employees of the University that submit properly documented and approved Cash Vouchers, as detailed in section IV. E. of this policy.
4. Complying with all applicable laws and regulations.

B. Departments handling cash are responsible for implementing the cash handling procedures outlined in this document and ensuring that all reasonable efforts are made to protect the cash of the University. Departments are required to perform monthly reconciliations to the Banner system or other system of record and, promptly identify and correct any discrepancies.

IV. PROCEDURES TO IMPLEMENT

A. Cash Handling Requirements:

1. Cash Registers: Departments receiving a large volume of cash transactions must use a cash register or a cashiering station. The cash register should have reports available to assist in reconciling cash with sales. If more than one individual is accessing the same register, the cash drawer should be closed out prior to another cashier using the

register when feasible. The register should be capable of providing the customer with a receipt for each transaction.

2. Cash Drawers: Each cashier should have a separate cash drawer, whenever possible. The cash balance should be confirmed prior to the cashier beginning the processing of transactions and should be balanced at the end of the cashier's shift. Any discrepancies in the cash drawer at the end of the shift should be accounted for in the long/short accounts at the bottom of the transmittal form.
3. Daily Balancing of Cash Collections: Cash collections must be balanced on a daily basis. Discrepancies must be accounted for in the long/short account at the end of the transmittal form.
4. Checks Received: Checks received should be made payable to Idaho State University, endorsed immediately by stamping "For Deposit Only" and should have the Department's name written on the back of the check. Any other information that is pertinent to daily operations of the department may also be included on the check as well.

Checks payable to an individual or an organization other than Idaho State University should be endorsed by the payee "Pay to the Order of Idaho State University." If an endorsement stamp is not available, an endorsement should be written on the back that reads "For deposit to the account of Idaho State University." Traveler's checks, cashier's checks, and money orders should be treated as regular checks.

5. Non-Sufficient Funds Checks: Departments accepting checks must post signs that Non-Sufficient Funds (NSF) checks will incur additional charges. NSF checks originally received in departments will be returned to the Controller's Office. Individuals are notified by the Controller's Office of NSF checks. If collection attempts are unsuccessful the NSF check balance is sent to a collections company. If the Cashier's office is unable to collect the NSF check, the departmental account of the department that took the check will be charged for the amount of the check.
6. Copies of Checks: Generally, checks should not be copied, unless there is a valid business purpose for doing so. Due to the risk of identity theft, all information on copied checks should be kept in a secured location with limited access. Once the valid business purpose expires (usually after one statement cycle), the copies must be shredded.
7. Checks Received in the Mail: Ideally, two individuals working together should open checks received in the mail. Checks should be logged in immediately and stamped "For Deposit Only" at the time the mail is opened. The person opening the mail should not be

the same person processing the departmental deposit. Student payments should follow guidelines as described in this policy.

8. Checks Received in Error: Checks received in error should be forwarded to the Cashier's Office along with any documentation received with the check, including the envelope.
 9. Receipt Requirements: All departments must use approved receipts for transactions. A receipt must be given for all transactions regardless of payment type. Receipts must be pre-numbered in sequential order with voided receipts maintained and accounted for with sales receipts. Receipts must contain at least two parts: one copy to be given to the customer and one to be retained in the department. Receipts should not include social security numbers, birth dates, or any information that may enable identity theft. Types of receipts approved by the University are:
 - a. Cash register receipts for departments that handle high dollar volume transactions
 - b. Computer generated receipts
- B. Standard pre-numbered two-part office receipt book. Physical Security Requirements for Cash.
1. Security of Cash Receipts: It is the responsibility of the department to ensure the security of Cash Receipts. Cash Receipts must be maintained in a secure location at all times. Reasonable security includes, but is not limited to, funds being attended to at all times. If funds are unable to be attended to during business hours they should be locked up. All funds held overnight must be locked in a safe.

If Cash Receipts are found to be missing or lost, it is the responsibility of the department to report this promptly to the Cashier's Office and Internal Audit.
 2. Use of a Safe: A safe should be utilized when cash balances are sufficient to warrant such a security measure. Safe combinations should be safeguarded and communicated to a small number of select individuals only. Combinations must be reconfigured every five years or upon turnover of staff, whichever occurs first.
- C. Payment Methods Accepted
1. Cash: U.S. currency only
 2. Personal Checks, Traveler's Checks, Cashier's Checks, Money Orders: Make checks payable to Idaho State University. Checks must be drawn on a US bank and be made payable in US dollars.
 3. Debit/Credit Card: Tuition and fees may be paid on-line via the cashiering system using VISA, MasterCard, American Express, or Discover. A 2.85% convenience fee will be assessed on all credit card transactions.

4. Automated Clearing House (ACH) payments: Tuition and fees and other select payments may be paid on-line with an electronic check/transfer or ACH. There is not fee or charge for this method of payment.
 5. Domestic Wire Transfers: Wire transfers for vendor payments (not allowed for tuition payments for domestic students)
 6. International Funds Transfer: This is a wire transfer from a student's international bank account to Idaho State University.
 7. Installment Loans: Installment Loans for tuition and fees are available under the Online Fee Payment channel on the Finances tab in Bengal Web.
- D. Cash Handling Procedures: Established cash handling procedures must be followed to ensure compliance with University policy and to protect the employee and the University from alleged negligence. Failure to adhere to established procedures may result in employee reprimand or up to and including dismissal or departmental revocation of the privilege to collect revenues. The following cash handling procedures, while not all inclusive, are key to properly controlling cash:
1. Cash Collection
 - a. Money should be collected in as few places as possible and stored in the most secure safekeeping facilities available, such as a safe or vault. A two-part departmental receipt should be issued for all cash received; one copy for the customer and the other to be retained in numerical order by the department. Use of pre-numbered receipts offers better control over revenues and assists in record-keeping. Receipts should be issued in numerical order and each deposit should specify the receipts covered. If a receipt is incorrect, write VOID across the face and retain both copies for the records. Each receipt should include an explanation of the goods provided or services performed, date, name and method of payment.
 - b. Departments involved in the collection of money must maintain proper records, including receipt and deposit records, inventories of saleable items, and cash reconciliations. These records must be retained by the department for seven (7) years before they can be destroyed. The Office of Internal Audit may be of assistance in designing a record-keeping system that will be acceptable for accounting purposes.
 - c. Dishonored checks can be kept at a minimum by requiring proper identification such as a student or staff ID card or non-student driver's license. Dishonored checks can also be kept at a minimum by making daily deposits to the Cashier's Office which avoids time delays in processing personal checks. Lack of proper identification is justification for refusing to accept a check. Personal checks should

be accepted for the amount of purchase only, endorsed with the departmental "For Deposit Only" stamp when received, and initialed by the person accepting them. Upon request, the Cashier's Office will provide departments with bank deposit stamps.

- d. Personal checks of up to \$25.00 and ISU Payroll checks of up to \$250.00 may be exchanged for cash at the Student Union Campus Connections Desk by ISU faculty, staff, and students. Personal checks of up to \$200 and ISU checks may be exchanged for cash at the Cashier's Office by ISU faculty and staff. Drawers of NSF checks will not be allowed to cash personal checks at the Campus Connections Desk or the Cashier's Office.
 - e. All other checks made payable to the University are assumed to be payments for goods and services provided by the University and must be receipted to a University account. If there are unusual circumstances where funds should not be the property of the University, contact the University Controller's Office or your University Business Officer for assistance.
2. Cash Count and Reconciliation: Internal cash counts are performed to ensure the accountability of money held, verify the correctness of daily transactions, and identify cash-handling problems.
- a. For proper control, cash should be counted at the beginning of each day's activity or when cash is assigned to an individual, verifying that the amount received is correct. Cash should be counted at the end of each day's activity by another individual who is not performing cashiering functions, and reconciled with daily receipts by someone independent of cashiering and cash count functions, whenever possible. Cash count forms should be completed. The form used and procedures followed should be as basic or as sophisticated as necessary, based on the nature and amount of revenues.
 - b. The only people authorized to count University cash held by a department are personnel from the Division of Finance, Internal Audit, or authorized external audit personnel. Cash counts should always be performed in the presence of the individual responsible for the cash.
3. Security and Storage of Receipts: Ideally, receipts should be deposited as required by University policy (see Deposit Procedures), or stored in a safe vault during non-working hours. If adequate storage facilities are not available, alternative procedures should be used, such as:
- a. Making use of the nearest departmental safe or vault to store locked money bag or cash box.

- b. Limiting cash collection points to those areas with adequate storage facilities.
 - c. Establishing specific cash collection days or depositing at the end of the day.
 - d. Receipts should never be left unattended. The strictest security measures possible should be implemented. Departments handling small amounts of cash where secure storage facilities are inaccessible should consider the purchase of an alternate storage facility.
 - e. Cash or checks to be turned over to an employee for handling should be delivered to that individual personally. If the person cannot be located, give the funds to the University Cashier for safekeeping or retain them in a secure place until he/she returns. Money should NEVER be left on a desk under the assumption that the person will find it. The department initially receiving the money is responsible to ensure its proper and prompt depositing.
 - f. If a refund is necessary from funds received, the money must first be deposited with the Cashier's Office, a refund check is then requested through Accounts Payable. Both the receipt and the refund check must be recorded and documented to provide an audit trail and in case of dispute at a later time. Procedures for refunding large amounts of money (i.e., canceled activities for which tickets were purchased) should be cleared through the Controller or the University Business Officer.
4. Control of Receipt Storage Area: Access to buildings, rooms, and offices by numerous individuals reduces security over receipts. Controlled access to cash storage areas must be maintained and the distribution of keys kept at a minimum.
- a. Keys left in unlocked desk drawers or identified by use are open invitations to an easy theft. Locks and combinations should be changed when employees terminate, or every five years, to protect the department as well as former employees.
 - b. Strangers found in restricted areas or in buildings after hours should always be questioned. Mode of entry and possession of unauthorized keys should be investigated.
5. Deposit Procedures: All revenues generated as a result of the sale of University goods or services belong to the University and must be deposited with the University Cashier daily or when the accumulated amount reaches \$100.
- a. Currency and coin must never be sent through the mail, including campus mail. Currency and coin must be hand carried to the Cashier's Office for deposit. Departments sending large amounts of money to deposit may request the service of a Public Safety escort if they feel unsafe carrying large amounts in person.

- b. Deposits made to the Cashier's Office must be accompanied by a Receipt Deposit Slip, or a pre-approved departmental form prepared in duplicate and including the following information:
 - i. Name of department making deposit.
 - ii. Date of deposit.
 - iii. Index Number and Account Code to which the deposit will be credited.
 - iv. Listing of receipt type, i.e., sales, rental fees, fines, etc.
 - v. The total type of tender must be calculated and indicated at the bottom of the remittance; the amount of checks, cash and/or charges must be entered on the designated lines.
 - vi. The total amount of the deposit must also be entered on the designated line.
 - vii. The signature and mail stop of the person preparing receipts for deposit.

Funds to be deposited into separate accounts may be included on one remittance as long as the distribution of deposits into the account is clear.
 - c. Any overage or shortage (from total cash on hand less change fund and receipts) should be reported on the deposit slip under a separate receipt code of 5676, 5597, or 5465.
 - d. All checks must be stamped on the back with the department's name. If a stamp is not available, write the name of the department on the back of the checks to be deposited. This facilitates identification of the origin of a check in the case of a returned check.
 - e. The department making the deposit must add all checks and submit the adding machine tape along with the checks.
 - f. All deposits should be verified by the University Cashier in the presence of the depositor. When the cashier processes the deposit a receipt is printed. One printed copy is returned to the depositor with the yellow copy of the Receipt Deposit Slip to be maintained in a chronological file in the department.
6. Procedures for Dishonored Checks: All checks returned to the University due to insufficient funds (refer to maker, stop payment, account closed, etc.) will be received by the Cashier's Office. The Collections Specialist will notify the drawer of the check and the Cashier's Office will complete the control card to be filed in the Cashier's Office. The Cashier's Office maintains physical control of the returned checks until funds are collected, legal action is taken, or the check is deemed uncollectible and written off.

- a. **Collection Process:** The Collections Specialist has primary responsibility for the collection and clearance of returned checks, and the levying of returned check fees as authorized by the State Board of Education.
 - b. The following steps may be used as necessary to protect the assets of the University and collect funds lost due to returned checks:
 - i. Contact the maker to notify of the returned check charge and request funds to cover the returned check. A returned check charge will be assessed for each check returned by the bank. The current charge is \$35.00.
 - ii. Contact the bank for verification that funds are available in the maker's account. For accounts with adequate funds, cash the check at the bank immediately or redeposit the check in the University account, depending on the credit history of the maker.
 - iii. Place student records on hold to collect through registration and block release of information until payment is received.
 - iv. Refer returned checks not collected in a reasonable time (within two weeks) to a collection agency, following notice to the maker of that action. Checks referred to collection agencies will be written off against the account to which the original deposit was credited. The cost of collection will be borne by the maker of the check.
 - v. Flagrant or repeated returned check violations should be referred to the Office of General Counsel for legal action or prosecution.
 - c. **Preventive Action:** Dishonored check lists will be prepared by the University Cashier indicating those people who have abused check writing privileges in the past. The lists will be provided to those organizations accepting checks for reference, but are not to be displayed publicly. Repeat offenders and people unresponsive to collection efforts will be listed. Departments should not accept checks from these individuals without prior clearance from the University Cashier.
- E. **Cash Voucher Reimbursement:** The cash voucher reimbursement process allows University employees to be reimbursed for business expenditures, up to \$100 without going through the purchasing office.
1. An employee may be reimbursed for out-of-pocket business-related expenditures by completing and submitting a Cash Voucher form to the Cashier's Office. The form must be completed in full, including the current date, the proper coding, and a description of the expenditure. The purchase receipt identifying the date, place of business, items bought, and amount paid must be attached to the Cash Voucher form. If the receipt

- does not identify the item(s) purchased, they must be listed on the cash voucher. The appropriate department chairperson/director's approval must be obtained and the certification completed by the claimant. Cash vouchers should be presented for reimbursement no more than fifteen (15) days after the date of purchase.
2. If the purchaser is required to pay sales tax, the University will provide reimbursement.
 3. Promotional expenses may not be reimbursed on a cash voucher form.
 4. Items not authorized for reimbursement through cash vouchers include gift cards, salary and wage payments, alcohol, gifts, flowers, Christmas decorations, other office decorations, and items of a personal nature, i.e., tissue, aspirin.
- F. All Division of Finance forms, including Cashier's Office forms, are available at this website: isu.edu/financeadmin/forms/.
- G. Petty Cash and Change Funds: The use of petty cash and change funds are detailed in a separate policy.