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CASH HANDLING PROCEDURES  
CALIFORNIA STATE UNIVERSITY, FRESNO  
ACCOUNTING SERVICES  
NOVEMBER 29, 2016

# CASH HANDLING PROCEDURES

## INTRODUCTION

### PURPOSE

The purpose of this document is to establish campus protocol and procedural guidelines for the handling of cash and cash equivalents and appropriate segregation of duties in accordance with University and ICSUAM Policies below:

3101.02 Campus Administration of Systemwide Cash Management Policy

3102.02 Segregation of Cash Handling Duties

3102.03 Acceptance of Cash and Cash Equivalents

3102.04 Physical Protection of Cash and Cash Equivalents

3102.05 Debit/Credit Card Payment Policy

3102.08 Recording Deposits to the General Ledger

3102.10 Change Funds

3102.11 Deposits and Transfers to the Bank

### SCOPE

This document will pertain to any department, collectively and person, individually in the handling of cash or cash equivalent.

### CONTACT

Any individual handling cash or cash equivalent must contact University Cashiering Services (UCS) Supervisor Gina Tamez at [gtamez@csufresno.edu](mailto:gtamez@csufresno.edu) and must attend annual cash handling training.

### DEFINITION OF TERMS

**Cash:** Coins & currency.

**Cash Equivalents:** Checks, cashier's check and money orders.

**Cashier:** Individual receiving cash or cash equivalents at the point of sale and recording same in CASHNet, or via deposits at UCS.

**CASHNet:** University cashiering system.

**Deposit:** Cash and Cash Equivalents to be deposited

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**ICSUAM:** Integrated California State University Administrative Manual.

**Official University Cash Receipt:** Must be generated from CASHNet.

**Satellite Cashier:** An individual that is authorized in a particular satellite cashier station to collect funds and/or make department deposits stateside on behalf of the University.

**Satellite Cashier Station:** A collection station that performs cashiering activities located on or off campus established for student, faculty and staff convenience

**University Cashiering Services (UCS):** Main cashier's office responsible for the collection of student payments, department deposits and petty cash reimbursements located in the Joyal Administration Building South Lobby.

### RESPONSIBILITIES

1. Assistant Controller or designees' responsibilities (ICSUAM 3102.02):
  - a. Approve official satellite cashiering locations using the CASHNet system.
2. Cashiering Supervisor or designees' responsibilities (ICSUAM 3102.02):
  - a. Authorize/Pre-Approve official satellite cashiering locations using the CASHNet system.
  - b. Ensure appropriate approvals have been obtained prior to establishing an official satellite cashiering station.
  - c. Maintain a listing of all departments and individuals that perform cash handling duties using CASHNet and deposits using collection sheets or departmental deposits.
  - d. Ensure cashiering stations are operating in accordance with CSU and University policy and procedures.
  - e. Ensure that the following requirements have been met for each cashiering station:
    - i. Satellite Cashiers have been properly trained in cash handling, the preparation and processing of deposits and the use of CASHNet (ICSUAM 3101.02).
    - ii. Cash, checks, and debit/credit card information are physically protected (ICSUAM 3102.04 and 3102.05).
    - iii. Appropriate segregation of duties are maintained (ICSUAM 3102.02).

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### PROCEDURES

#### 1. Segregation of Duties

1. The UCS Supervisor shall maintain a listing of all departments of employees approved by department chair, manager or dean who handle university cash or cash equivalents at each official satellite cashier station.
  - i. It is the responsibility of each Satellite Cashier station to notify the UCS Supervisor of designees who leave the department and update the authorization form.
2. Cash receipts/handling operations will require daily supervision and review by department chair, manager or dean.
3. The individual who authorizes refunds cannot receive or handle cash or cash equivalents.
4. Students are not permitted handle funds unless they have prior written approval from the University Controller.

#### 2. Satellite Cashier Stations:

##### 1. Transporting Deposits to University Cashiering Services (UCS):

- i. Transporting of deposits must be in a sealed and a non-transparent bag.
- ii. Transporting of deposits to UCS must be accomplished in a secure manner. In order to protect the financial assets and individuals involved, the transport of deposits more than \$250 but less than \$2,500 shall be accomplished jointly by at least two employees (ICSUAM 3102.04).
- iii. When deposits exceed \$2,500, the deposit shall be accomplished by at least two employees and the employees shall be escorted by campus police (ICSUAM 3102.04).

##### 2. Collection Sheets and/or Department Deposits

- i. An Authorization Form must be completed and approved by department chair, manager or dean.
- ii. Deposits must be prepared by an individual who does not have access to recording transactions (i.e., must not have access to post journal entries), authorizing adjustments to the accounts receivable ledger or to the

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general ledger, or the person following up on collectibles (ICSUAM 3102.08).

- iii. Deposit shall be verified and authorized by a department chair, manager, or dean. For department deposits, all deposits will be verified by the UCS Office.
- iv. Deposits must be reviewed and verified/reconciled to the general ledger by an individual who is not part of the deposit process and does not have access to cash. This provides an independent verification that the amount recorded on the supporting deposit documents was the amount that was actually deposited.
- v. Deposits must be deposited at the UCS (ICSUAM 3102.11):
  1. Cash – daily
  2. Checks - at least weekly or whenever collections exceed \$500
- vi. Deposits must include the following:
  1. Collection Sheet or Departmental Deposit Form
  2. Deposit (cash and/or cash equivalents)
- vii. Students are not permitted to handle funds unless they have prior written approval from the University Controller.

### 3. Receipting into CASHNet.com

- i. An Authorization Form must be completed and approved by department chair, manager or dean.
- ii. All cash registers and point of sale equipment must produce a receipt controlled by consecutive numbers generated automatically and recorded with each transaction. This numbering mechanism must be accessible only to the manufacturer's service representative or appropriate manager who is independent of that cashiering location.
- iii. Subsequent to the collection of funds, each cashier shall offer a copy of the receipt to the customer.
- iv. Each cashier must take reasonable precaution to detect counterfeit money prior to acceptance. Cashier shall use a counterfeit detector pen and/or the currency counter for bills over \$5.

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- v. Satellite Cashier Stations accepting credit card payments must use only Point of Sale terminals or equipment supplied to the location by the campus' merchant card processor. All Point of Sale terminals and systems must be configured to prevent retention of the full magnetic strip, card validation code, PIN, or PIN Block cardholder data once a transaction has been authorized. If any account number, cardholder name, service code, or expiration date is retained, it must be encrypted and protected according to the standards outlined in the Payment Card Industry (PCI) Data Security Standards (ICSUAM 3102.05).
- vi. Each cashier shall be assigned a unique user ID, login, password, and cash fund not accessible by or shared with other individuals. The department manager must provide a cash register drawer or other secure cash receptacle to which only the cashier has access (ICSUAM 3102.02).
- vii. Prior to leaving the cash register or work area for any reason, the cashier will lock the cash drawer and remove the key, keeping it in their possession (ICSUAM 3102.02).
- viii. Voids and reversals of a prior cash or cash equivalent receipt, must be supported by all copies of the document involved, explained, and approved in writing or electronically by the cashier's supervisor at the time of the occurrence and submitted with the deposit supporting documentation. The original receipts with documentation must be sent to the UCS with cashier's balance sheet.
- ix. As part of normal operations throughout the day, the cashier will accumulate receipts from sales. Cash in excess of daily operation needs must be transferred from the register drawer to a university approved safe or lockable receptacle.
- x. All cash registers and point of sale equipment must produce a *Cashier Check-out* receipt and balance sheet for verification to cash and cash equivalents collected. Reconciliation must be reviewed, verified and signed by supervisor or designee.
- xi. At the close of business, all cash and cash equivalents must be secured and stored in accordance with CSU requirements as noted in *Security of Cash Funds* section below (ICSUAM 3102.04).
- xii. Documentation of cash differences (overages and shortages) must be maintained for each cashier and a *Cash Over/Short Audit Record* must be completed and signed by the cashier, supervisor and manager and sent to the University Cashiering Services Supervisor (ICSUAM 3102.02).

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- xiii. Collections made by cashiering locations depositing directly to the bank must be deposited the same day as they are received, or at a minimum, on the following business day (ICSUAM 3102.11).
  - xiv. Cash Transactions > \$10,000 Notification and Processing - Funds received, from a single individual, in the form of cash, money orders, cashier's checks, traveler's checks or other bank instruments in US dollars in a cumulative total that exceeds \$10,000 in any 365-day period must be reported to the IRS. The UCS Supervisor will complete the required 'IRS Form 8300 Report of Cash Payments Over \$10,000 Received in a Trade or Business' and submit it to the IRS within 15 days of the date the total amount received exceeds \$10,000.
  - xv. CASHNet users must complete a CASHNet Online Receipting Activation Request Form. If the 'cashier' leaves the department, the supervisor or department manager must complete the CASHNet Online Receipting Inactivation Request Form and notify the UCS supervisor for deletion.
  - xvi. Students are not permitted CASHNet access unless they have prior written approval from the University Controller.
3. **Checks (Payee Name):** All checks must be made payable to California State University Fresno or CSU Fresno or Fresno State (ICSUAM 3102.03).
4. **Payments Received Through Mail:** If checks received are not payable to California State University Fresno or CSU Fresno or Fresno State or cannot be identified or properly applied after sufficient research, the item must be returned to the account holder to be reissued (ICSUAM 3102.02).
5. **Official University Cash Receipt:** An official University cash receipt shall be recorded for each collection using a cash register, point of sale equipment, or online secured payment sites, except in circumstances where it is not practical (i.e. event parking and payments received at department through the mail). Departments wishing to collect check payments must refer to the 'Satellite Cashier Station – Collection Sheets and/or Departmental Deposits', section 2 (2) above.
6. **Endorsement Stamps**
- 1. All checks accepted by the University must be restrictively endorsed by a cash register or an endorsement stamps approved by the UCS Supervisor. All checks must be endorsed by the close of business on the day of receipt (ICSUAM 3102.03).

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2. Endorsement must indicate “For Deposit Only – California State University, Fresno”. For example, the following endorsement must be placed on the back of each check (ICSUAM 3102.03):

### Endorsement Example

*Pay to the order of*  
Wells Fargo Bank, N.A.  
For Deposit Only  
California State University Fresno  
University Cashiering  
Account #####

3. The UCS Office will order the appropriate endorsement stamp. Use the *Endorsement Stamp Order Request Form*.

### 7. Requirements of Checks Received (ICSUAM 3102.03):

1. All checks must be made payable to California State University, Fresno or CSU Fresno or Fresno State.
2. Checks accepted by the University must contain all legally required elements including:
  - i. Dating no earlier than 180 days prior to the day of acceptance and no later than the day of acceptance.
  - ii. Legible and consistent amounts, both the numeric and written.
  - iii. A signature on the signature line.

The following procedures must be followed for checks that do not contain all the legally required elements noted in procedure 8.b. above:

- Checks received in person from the maker must be reviewed at the time of receipt for the required elements noted in procedure 7 (1) and (2). If any of the required elements are not met, the cashier must return the check to the maker for correction.



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- Checks received in the mail from the maker must be reviewed at the time of receipt for the required elements noted in procedure 7 (1) and (2). If any of the required elements are not met, the cashier shall make every effort to contact the maker to request a new check be issued. The cashier shall mail the invalid check back to the maker and record the item in log or keep a copy of document sent to maker.

All checks must be verified, processed, and endorsed by the close of business on the day of receipt and kept secured in a locking drawer or safe.

Actual checks must not be routed to other departments to obtain recording chartfield information when the proper account(s) are not readily available. Endorse the check and scan it to the applicable department(s) for research. Any unidentified deposit must at a minimum be deposited on the following business day and must be recorded in the "Uncleared Collections" account (ICSUAM 3102.08).

### Physical Protection of Cash and Cash Equivalents

1. The following are the requirements for storage of cash and cash equivalents (ICSUAM 3102.04):

#### CSU Safe Requirements

- Up to \$1,000 in a lockable receptacle.
  - From \$1,001 to \$2,500 in a safe.
  - From \$2,501 to \$25,000 in a steel-door safe, with a door thickness of not less than 1 inch and wall thickness of not less than ½ inch.
  - From \$25,001 to \$250,000 in a class TL-15 composite safe or better.
  - Over \$250,000 in a class TL-30 steel or better safe.
2. Transporting of deposit must be in a sealed and non-transparent bag.
  3. Transporting of deposits to UCS must be accomplished in a secure manner. In order to protect the financial assets and individuals involved, the transport of deposits more than \$250 but less than \$2,500 shall be accomplished jointly by at least two employees.
  4. When deposits exceed \$2,500, the deposit shall be accomplished by at least two employees and the employees shall be escorted by campus police.

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5. Physical security systems are required in areas where large amounts of cash are collected. If more than \$2,500 in cash and cash equivalents is regularly on hand, a manual robbery alarm system or other appropriate measure must be installed for use during business hours to alert campus police. If more than \$2,500 in cash and cash equivalents is regularly on hand, a manual robbery alarm system or other appropriate measure must be installed for use during business hours to alert campus police.
6. If more than \$25,000 in cash and cash equivalents is stored overnight, an automated alarm system is required to alert campus police if the storage area is entered after business hours.
7. Safes must be bolted to the ground or wall and such activity must be coordinated through the Facilities Planning (must submit Customer Service Request).
8. The relocation or removal of existing safes must only be performed by Facilities Planning (must submit Customer Service Request).
9. Lockable receptacles that store cash, checks or debit/credit card information must always remain locked when not in use and must be stored in a locked desk, cabinet, or office when not in use for operations.
10. A list of all personnel who have access to the safe, vault or lockable receptacle must be maintained by the Department Chair or Manager. This document must be retained for recordkeeping or audits.
11. If the safe or vault has a combination operated lock the combination must be changed every year or when a person who knows the combination leaves the department. This document must be retained for recordkeeping or audits.
  - Documentation must be maintained showing the date and the reason for the combination changes
12. The combination must be known to as few persons as possible consistent with operating requirements and the value of the cash or documents.
13. Students must **not** be permitted access to the safe, vault or lockable receptacle

### **Change Funds (ICSUAM 3102.10):**

1. Petty cash/change fund custodian is responsible for the security of their funds.
2. Each Petty cash/change fund can only have one (1) custodian.

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3. Petty cash/Change funds must not be commingled with other funds and cannot be independently transferred to another individual.
4. When Petty cash/change funds are no longer needed, those funds must be deposited at the UCS Office. The petty cash/change fund custodian must also notify Accounts Payable and General Accounting.
5. A surprise audit will be performed on a periodic basis by General Accounting. The minimum frequency of such verifications is based on the amount of funds at risk:

<u>Size of Funds</u>	<u>The Minimum Frequency of Count</u>
\$200.00 or less	Annually
\$200.01 to \$500.00	Quarterly
\$500.01 and over	Monthly

### References:

ICSUAM Policies 3101.02, 3102.02, 3102.03, 3102.04, 3102.05, 3102.08, 3102.10 & 3102.11