

CASH MANAGEMENT PROCEDURES
ADM-0113
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Definition of Terms

Main cashiering location - The primary cash handling unit that has the responsibility to collect, control, and maintain records for campus funds. Collections are deposited directly to an approved depository bank account.

Satellite cashiering location - Cashiering unit which generally performs cashiering activities as a primary function. Collections are deposited with the Main Cashier or directly to an approved depository bank account

Cashiering employee - Any employee engaged in a cash-handling function the main cashiering or satellite location.

Cash handling department - Department which performs minimal cashiering activities. Collections are deposited with the Main Cashier.

Delegation of Authority - Assignment of responsibility or authority to another person (normally from a manager to a subordinate) to carry out specific activities.

Segregation of duties - The internal control process that requires more than one person to complete a task to prevent fraud and error.

Mitigating controls - Type of control used in auditing to discover and prevent mistakes that may lead to uncorrected and or unrecorded mistakes.

Cash (including cash equivalents) - Currency, coins, checks, credit cards, traveler's checks, cashier's checks, money orders, and e-commerce (Automated Clearing House and other debit and credit transactions).

CASHNet - University Cashiering System

PCI - Payment Card Industry (credit card security standards)

ICSUAM - Integrated California State University Administrative Manual

This document establishes Sacramento States policies and procedures related to handling and processing cash and cash equivalents and the safeguarding of funds in accordance with University and ICSUAM Polices 6200.00, 6201.00, 6202.00, 6330.00 and 6340.00.

Most university funds are receipted in the Bursar's Office as it is the main cashiering location on campus. Most departments and programs are University programs, including all the academic, student service, and University administrative offices. Many campus enterprise activities, such as the College of Continuing Education, Parking, Student Housing, and Student Health Services are also University programs. Deposits for University departments and programs are made through the University Bursar's Office, located in Lassen Hall 1001.

Some departments or programs fall under one of the University's auxiliaries, i.e., Associated Students, University Enterprises, University Union, CSUS Trust Foundation, and Capital Public Radio. Each auxiliary has its own location and deposit procedures.

The University Foundation at Sacramento State (UFSS) is a non-profit corporation and auxiliary of Sacramento State and follows the same University policies and procedures for cash handling. Procedures and guideline for submitting deposits to the main cashiering location can be found by selecting the link below:

<https://www.csus.edu/administration-business-affairs/financial-services/university-foundation-sacramento-state.html>

Annual Compliance Review

Each year, Auditing and Consulting Services will review campus compliance with system wide cash management policies and procedures during the fall semester and will report the results of the review to the campus Vice President for Administration/Chief Financial Officer by December 31. For years in which the campus experiences a formal audit of cash management, the audit and subsequent monitoring of recommendation implementation will satisfy this requirement.

Monthly Review of High Risk Transactions

To mitigate the risk of the CASHNet Administrator handling cash and authorizing system access, the University Bursar will run monthly CASHNet reports of Operator Setup and Voided Transactions, review the report to ensure that there is no fraudulent activity, and keep signed documents in a shared drive.

1. ACCEPTING UNIVERSITY FUNDS

University employees who receive and handle cash and cash equivalents must follow appropriate safeguarding, accountability, reporting, and audit controls. If there is a compelling reason for departments to receive their own funds, approval must be obtained from the University Bursar under the following guidelines:

- A written statement must be provided stating why collection is needed, which will also include a statement accepting responsibility for collecting funds, signed by the department/program manager and the appropriate Dean, Director, or Associate Vice President.
- A secure lock box or safe must be in place that will be used to safeguard funds between deposits.

A Bursar Office representative will conduct a site visit after the request is received. The department must agree to cashiering policies and procedures and unannounced audits to ensure that standards are being met.

Once all requirements are met, the department must receive cash handling training by a Bursar Office representative before accepting payments. Training by the Bursar's Office will be provided periodically thereafter.

Although university employees who receive and handle cash equivalents must follow appropriate safeguarding, accountability, reporting and audit controls, it is the responsibility of the department to create specific procedures for their department. The department procedures must include the review and signing of this policy and procedures document and the training of any new employees. Additionally, the procedures will include instructions for department employees who may occasionally receive cash or cash equivalents. If it is no longer necessary for the department to accept cash and cash equivalents, a written statement must be provided to the University Bursar as to why they no longer need to be a cash handling department. The statement must include the plan for returning the endorsement stamp, disabling of any payment websites, and returning any credit card processing equipment.

2. SYSTEM ACCESS

Requesting a CASHNet Operator ID

For Departments that receipt their payments directly into CASHNet, a user request form must be sent to the Associate Bursar and University Cashier from a Manager or Supervisor and indicate the following:

1. The name and email address of the operator
2. The group status of the operator (*A group indicates the allowable activities that an operator is able to perform*)

Below are the CASHNet Groups and some of their main functionalities:

- **INQ (Inquiry)** -Transaction view and report view only
- **CSHR (Cashier)** - Receipt Payments and print reports related to its own transactions
- **LEAD (Lead Cashier)** - Cashiering functions as well as the ability to void transactions for other cashiers
- **SUPV (Supervisor)** - Administrative functions for system set up as well as the ability to cashier
- **ACCTG (Accounting)** - System set up functions and the ability to adjust transactions
- **ADMIN (System Administrator)** - IT Representative with access to system set up and control parameters

Maintaining CASHNet Operator Status

For departments that receipt their payments into CASHNet, a request form must be submitted to the Associate Bursar and University Cashier when access is no longer needed so that their CASHNet Operator ID can be disabled.

Annual Review of CASHNet Access

The Associate Bursar and University Cashier will submit an annual request to departments to verify that all operators for their department are current.

The University Bursar will submit an annual request to the Associate Bursar and University Cashier to ensure that all Main Cashiering operators are updated.

3. CHANGE FUNDS

Requesting a change fund

A written request should be directed to the University Controller in Accounting Services, and indicate the following:

1. The dollar amount of the cash fund requested and the purpose for which the fund is to be used.
2. The name, vendor number, employee ID number, and telephone number of the staff/faculty member who will be personally responsible (custodian/administrator) for the Cash Change Fund.

Receiving a change fund

Accounting Services will request a check in the name and vendor number of the custodian of the fund. The custodian will be notified when the check is available for pick up. At the time of pick up, the custodian will be required to sign and date a memo acknowledging receipt of the check and a copy of change fund procedures.

The custodian of the fund must cash the check at the Bursar's Office with the Assistant Director or Assistant Supervisor. *Cashiers cannot cash checks.*

Change Fund Policies

All change funds must be balanced each day of use. It is the responsibility of the supervisor to ensure that all change funds are counted after each use and that they remain at their established amount. For change funds used infrequently, the change fund should be balanced monthly. Any change fund over or short by more than \$10.00 should be verified by a supervisor. An incident report must be prepared for shortages and overages of \$100.00 or more and a copy must be sent to the University Cashier. For shortages greater than \$500.00, the University Police Department will be contacted to file a report. In addition, a copy of the incident report must be sent to the University Chief Financial Officer.

The University Cashier will ensure that all change funds undergo an independent audit on a periodic basis. The frequency of such verifications is based on the amount of the fund:

<u>Amount of Fund</u>	<u>Frequency of Audit</u>	<u>Responsibility</u>
\$200.00 or less	Annually	University Cashier or Designee
\$200.01 to \$500.00	Quarterly	University Cashier or Designee
\$500.01 to \$2,500.00	Monthly	University Cashier or Designee

Closing Cash Change Funds

When the custodian responsible for the fund no longer needs to use the fund, he/she must return the entire amount of their Cash Change Fund to be relieved of accountability. *Bursar's Office employees cannot receipt their own change funds.* The custodian should retain their receipt for the departmental check-out process that will verify that the appropriate debts were satisfied. If the employee is separating from the University, the Department should notify Accounting Services, the Bursar's Office and Payroll as to the custodian's last official day. In the event that their debt isn't satisfied, the department should contact Accounting Services to initiate and coordinate the repayment process.

4. SAFEGUARDING FUNDS

Cash Change Funds may be authorized only if safes, vaults, or money chests that are adequate to safeguard cash are used to maintain these funds.

The Cash Change Fund shall not be removed from the campus or deposited and/or commingled with personal funds, nor placed in a personal or off-campus bank account.

Cashiering employees with cash change funds will be accountable for the safekeeping of the fund, and will be personally responsible for **any** cash shortages within the fund. For internal controls, only one individual will be assigned custodianship of the fund.

Employees with direct access to, or control over, cash, checks, other cash equivalents, credit cards, and/or credit card account information are considered to hold sensitive positions. The campus must perform, or contract for, background checks and employment verification prior to employing a person into these sensitive positions.

There should be defined roles of responsibilities within the department. Ideally, cash handling duties should be divided into stages:

- Receiving funds
- Reconciling
- Depositing funds

It may not be possible to fully segregate all cash-related duties. In these circumstances, mitigating controls can be developed to prevent mistakes, or fraud.

In the event of an extended campus-wide emergency, departments should follow their approved Business Continuity Plan. If the department is in the process of collecting payments during a contained emergency (i.e., fire alarm, weather conditions, etc.), cash and cash equivalents should be immediately secured (if it is safe to do so) before exiting the building or location.

5. CASHIERING PROCEDURES

Cashiering Responsibilities

Cashiering employees who receive and handle cash and cash equivalents must follow appropriate safeguarding, accountability, reporting, and audit controls. The procedures must include the review and signing of this policy and procedures document and the training of any new employees. Periodic training will be provided as needed.

Cashiering employees are responsible for ensuring their cash drawer is adequately secured during short absences. All change fund holders should have locking drawers or locking cash boxes.

Cashiering employees must balance their cash drawer to the correct amount each night. If a change fund is short, and the problem cannot be found, the cashier must short their deposit being sent to the bank, and bring their change fund to the correct balance. A shortage correction sheet with the correct shortage account number for their department must be sent with their batch reconciliation the following business day.

If a cash drawer is over, and the correction cannot be found, the cashier must receipt the overage amount to the correct overage account for their department or process an overage correction sheet. ***Overages should not be held in cash drawers.***

- Cashiers must verify that the opening (or closing) balance of their cash change fund is the amount that was assigned.
- Cashiers log onto the CASHNet cashiering system using specific login information. Individual cashier passwords must remain confidential.
- The cashier records all cashiering transactions in CASHNet. Checks are endorsed at the time of receipt. Receipts are issued for all, cash, check and credit card payments. The cashier must retain the signed copy of the credit card payment.
- If a transaction is voided the same business day that the payment is received, the transaction must be voided in the CASHNet cashiering system. There must be a Supervisor/Lead override for all voided transactions. *Supervisors/Leads*

cannot void their own transactions. A document (void slip) containing the reason for the void, must be signed by the Supervisor/Lead and the cashier requesting the void. The void slip should be included in the cashier batch. Transactions that are not voided the same business day as the payment was received cannot be voided in CASHNet. A void correction sheet must be included with the cashier batch.

A. Check Payments

Checks received by campus departments must:

- be payable to CSU, Sacramento
- be in U.S funds payable through a U.S bank
- have a complete address
- show a current date (post-dated checks are not acceptable)
- have the payers bank branch information and personal account and routing numbers imprinted on the check
- have a signature on the signature line
- have the written amount match the numerical amount

Endorsing Checks

All checks should be endorsed upon receipt via the automated cashiering system or a University endorsement stamp.

B. Cash Payments

Cash payments should be verified in the presence of the payer. A receipt documenting the transaction with an assigned receipt number should be issued. Cash should not be accepted in drop boxes unless mitigating controls that have been approved by the University Bursar or Designee.

C. Credit Card Payment

In accepting credit card payments, California State University, Sacramento and its auxiliaries are required to comply with the Payment Card Industry Data Security Standard. Approved staff must adhere to PCI standards when processing manual (card not present) credit cards and debit cards. The standard was developed by the major credit card companies as requirements a business must adhere to when accepting credit cards.

https://www.pcisecuritystandards.org/security_standards/pci_dss.shtml

Manual requests to process a customer's credit or debit card must contain all of the following elements:

- a. Properly signed/executed authorization from the cardholder (unless processing over the telephone as provided for in NACHA guidance on TEL transactions),
- b. Credit/debit card account number with expiration date,
- c. The card holder's correct billing address,
- d. Authorization codes, if the cardholder is not physically present.

Should a manual initiating document be created in certain circumstances (via imprint or manual transcription of card information), such documents must be secured, and retained and/or disposed of according to the records retentions schedules.

6. DEPOSIT AND RECONCILING PROCEDURES

At the beginning of the next business day (or end of the business day), cashiering employees must reconcile cash, check and credit card payments to CASHNet end of day checkout totals. If totals do not match, the cashier must take steps to find the discrepancy such as recalculating adding machine tapes for check payment or utilizing the reporting system to find overages/shortage for each payment type received.

The receipt of cash and cash equivalents will be verified, processed, and documented conjointly by at least two employees before a bank deposit is finalized.

- When preparing the bank deposit, the cashier must have a Lead or Supervisor verify cash before the deposit bag is sealed.
- Funds for all Satellite and Main Cashiering locations must be deposited the next business day.
- All funds collected by cash handling departments must be deposited at the Main Cashiering Location into a University account within one business day for deposits of \$500.00 or more. Deposits less than \$500.00 should be deposited at least twice a week. Cash deposits (if approved) must be deposited the next business day regardless of the amount and must be delivered by two employees. Cash deposits that exceed \$1,000.00 or cash and cash equivalents the accumulatively exceed \$5,000.00 require a campus police escort. The Main Cashiering Location representative immediately processes the deposit and

provides a receipt of deposit to the Cash Handling Department representative. If immediate deposit cannot be provided by the Main Cashiering Location, the Cash Handling Department will deliver the deposit for later processing and sign a transfer log.

- Supervisors or Lead Cashiers in the Main Cashiering location prepares deposits for armored card service pick-up.
- It is the responsibility of the University Cashier or their Designee to reconcile the daily cash transactions receipted into CASHNet using various CASHNet reports to ensure that all payments have been receipted correctly.
- Accounting Services reconciles funds sent to the bank to ensure that all payments are accounted for.



**Bursar's Office
California State University, Sacramento
6000 J Street - Mail Stop 6052
Lassen Hall, Room 1001
Sacramento, CA 95819**

By signing below, I acknowledge that I have been approved to accept payments and have received Cash Management Training. I agree to abide by the Cash Management policies and procedures and understand that it is my responsibility and the responsibility of department personnel to remain apprised of financial policies that affect cash handling and safeguarding of University funds and implement my own department procedures.

Department/Program

Printed Name/Date

Signature/Date

Printed Name of Manager/Department Chair/Dean/Associate Vice President/Date

Signature of Manager/Department Chair/Dean/Associate Vice President/Date

Signature of University Bursar or Designee/Date