EDINBORO UNIVERSITY OF PENNSYLVANIA

CASH HANDLING POLICY AND PROCEDURES – Policy No. F022

Supersedes Policy F002, Dated 3/3/96

Recommended for Approval by Guilbert Brown, Vice President for Finance and Administration

Approved by [Signature] President on 7/5/16

POLICY – CASH COLLECTION, RECEIPT, AND DEPOSIT

Purpose

This document summarizes the proper procedure to collect cash and defines and outlines University policy with respect to the handling, receiving, transporting and depositing of cash. The term cash includes currency, checks and money orders.

University funds are monies received from revenues from University services, contracts and grants, deposits and all other sources of revenue or expense reimbursements. All checks made payable to the University or any subdivisions of the University are considered University/public funds.

Introduction

The collection and control of cash at Edinboro University are very important functions. The Bursar’s Office is the University’s primary cash handling agent. Ideally, from a control perspective, the collection and controlling of cash should be centralized in one location; however, it is not always possible or practical. As a result, under certain situations the collection of money is, in part, decentralized. Those situations and the procedures to be followed are explained in this document.

Historical practices shall not constitute justification for deviation from the following guidelines. The material contained in this document supersedes any previous policies and procedures followed within the University and/or within departments regarding the handling of cash. The Vice President for Finance and Administration reserves the right to make interpretations and exceptions to the policies contained in this document. Any requests for exceptions to these policies must be made in writing to the Vice President for Finance and Administration, and will be reviewed on a case by case basis.

Changes in University cash handling policies and procedures may be made from time to time, and will be communicated via email. Amendments will be available electronically through Edinboro’s website and will be effective on issuance.

Historical practices shall not constitute justification for deviation from the policies and procedures set forth in this document.
A. Required Authorization to Collect Money

1. Before undertaking any new cash handling operation or activity, approval for the activity must be received from the Vice President for Finance and Administration or his/her designee in writing. Once approval is granted, copies of cash collection policies will be distributed. Once accounts are established, the department should contact the Accounting Department to demonstrate how this new operation or activity will be accounted for and how deposits will be made.

B. Segregation of Duties in Campus Departments

1. When at all possible, there must be a separation of duties between the person receiving/processing/depositing cash and the person responsible for maintaining the accounts to which the cash will be deposited.

2. Cash receipt activity should be reconciled and reviewed by the department to the SAP budget record on a periodic basis. The reconciliation should be reviewed by department personnel who are not involved in cash handling or account maintenance.

C. Responsibility of Individual Departments

1. Compliance with University Policy and Procedures
   a. Departments are responsible for complying with the policies and procedures outlined in this document and for developing detailed written departmental operating procedures. These written procedures should be approved by the Vice President for Finance and Administration. Additionally, the Bursar’s Office and the Accounting Department are available for consultation and review of departmental procedures. Departments are responsible for training designated employees in fund handling policies and procedures. If students are involved with the collections of funds, a university employee must be supervising the activity, as well as reconciling the collection activity. Student workers are prohibited from transporting cash deposits from the department to the Bursar’s Office.

2. Safekeeping of Funds
   a. All forms of cash (currency, checks, and money orders) should be physically protected through the use of vaults/safes, locked cash drawers, cash registers, locked metal boxes, etc.

   b. It is the responsibility of each department to make whatever provisions are necessary to properly safeguard cash in their area. Any amount of cash on hand must be maintained in a vault or safe. Cash should not be maintained in desk drawers or standard file cabinets since they are easily accessible and provide no security or safe-guarding of funds.

   c. Transportation of cash deposits to the Bursar’s Office in Hamilton Hall by University employees should not conform to any regular time or day of the week schedule. Such transfers should be irregular, subject to change without notice, with times known only to a select few.
D. Methods to Record Cash Receipts

1. Manual Processing
   a. Incoming checks and currency must be recorded on a cash register, log, worksheet, ledger, spreadsheet, or on pre-printed receipts for each transaction. The only exception to this would be in the case where pre-numbered tickets are sold.
   b. Cash collected should be balanced on a daily basis to sales/income recorded (per the log or ticket copies). At day’s end or as expeditiously as possible, the whole deposit is to be transported to the Bursar’s Office in Hamilton Hall for validating and processing. It will then be deposited to the bank and posted to the cashier system. The appropriate copies of the validated receipts are then returned to the originating department for its files and for distribution as necessary.
   c. Responsibility for cash transactions within a department or at an event should be assigned to a specific individual or individuals so there is a means of establishing accountability. Sales proceeds during an event should be kept in a locked metal box or locked cash drawer or file at all times.

2. Check Acceptance
   a. Checks are to be written payable to “Edinboro University” only. Other information on the memo line is for the convenience of the department only and not necessary for proper credit or validation.

3. Endorsement of Checks
   a. All checks are to be restrictively endorsed to the University immediately upon receipt. This protects the check if lost or stolen. Pre-printed endorsement stamps are available through the Bursar’s Office in Hamilton Hall.
   b. The endorsement must include the following: For Deposit Only - Edinboro University
   c. The Federal Reserve has established a regulation to standardize check endorsements. All depositors’ endorsements are limited to the top 1.5 inches on the backside of the check at the trailing edge. This is where endorsements are normally placed. If you look at the face of the check, the endorsement area is directly behind where “Pay to the order of” is printed.
   d. Any marks below the 1.5 inches on the check may obscure the bank routing number, cause delays in returning checks, and forfeit the University’s right to recovery. The purpose of this regulation is to speed collection and returns. Failure to follow the above instructions may result in chargebacks to your department.

E. Limitations on Acceptance of Payments by Check

1. Departments are not authorized to return currency to the payer in the event that the check exceeds the amount due to the University. Checks that exceed the amount due to the University should not be accepted. Additionally, no University department may accept post-dated checks.
F. Returned Check Procedures

1. Any checks returned by Edinboro University’s depository bank as uncollected are sent to the Bursar’s Office. Examples of returned checks include: non-sufficient funds (NSF), account closed, payer’s signature missing, refer to maker and post-dated or stale-dated checks. The university fee for NSF checks is $30 per item.

2. The Bursar’s Office debits the originating department’s account for the amount of the returned check. A copy of the transaction and the returned checks are mailed to the originating department for collection. It is the originating department’s responsibility to notify the check writer and inform them about the returned check and the university’s intent to collect the amount of the check plus the processing fee of $30 per item from the payer. Generally, restitution should be in the form of currency, money order, cashier’s check or certified check.

3. If after proper due diligence is performed and collection problems exist, the Bursar Office may be consulted regarding returned items which remain uncollected after 90 days from the date of the debit transaction.

G. Requirement for Deposits

1. Deposit Forms and Supporting Paper Trail

   a. Deposits should be made on an Edinboro University Campus Deposit Form (available for pick-up or mailing from the Bursar Office). Forms that departments are currently using — if already approved by the Bursar’s Office as of August 2015 — can continue to be used. This form is used to record, communicate and document deposits made by departments to departmental accounts.

   b. All deposits that involve cash and/or multiple checks should be counted twice prior to being delivered to the Bursar’s Office. In addition, an adding machine tape reflecting the deposit amount should be stapled to the deposit form to serve as a point of reference in case something does not match up. On the adding machine tape the cash should be sorted by denomination and any checks should be listed individually.

2. Frequency of Deposits

   a. Deposits are to be made in a timely manner (see chart below) to facilitate proper posting of accounts and to insure the security of University/public funds. Any department with special circumstances that would deviate from the chart below must have the approval of the Vice President for Finance and Administration or his/her designee.

   b. All deposits are to be made at the Bursar’s Office located on the 1st floor of Hamilton Hall. Deposits may be made at the Bursar’s Office Monday-Friday between 9:00AM and 4:00PM – (3:30PM during summer hours).

3. After-hours deposits

   a. All after-hour deposits must be made at the 24-hour University Police office on Scotland Road. The use of a locked bag is required for these deposits. Please contact the Bursar Office for information on obtaining locked bags for after-hours deposits.
<table>
<thead>
<tr>
<th>Cumulative Receipts</th>
<th>Minimum Frequency of Deposit to Bursar Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $249.99</td>
<td>Within 3 business days</td>
</tr>
<tr>
<td>$250.00 to $999.99</td>
<td>Within 2 business days</td>
</tr>
<tr>
<td>$1,000.00 to $9,999.99</td>
<td>Next Day</td>
</tr>
<tr>
<td>$10,000.00 or more</td>
<td>Same day</td>
</tr>
<tr>
<td>Any single item $50,000 or more</td>
<td>Same day/immediately (Bursar Office will prepare to deposit that day).</td>
</tr>
</tbody>
</table>

4. Money Deposited Intact

   a. Money should be deposited promptly and intact to the Bursar’s Office. The cashing of checks from University deposits, borrowing cash for personal use, lapping receipts to cover shortages in cash receipts, withholding checks for deposit in order to float checks, commingling of personal and University funds, and modification of cash records are all serious offenses and will result in an immediate referral to University Police and Human Resources for proper disciplinary action.

H. Key Issues Related to Departmental Deposits of Cash and Checks

1. While the Bursar Office is processing the deposit, they look at the following:

   a. Checks (may only be accepted when they meet the following criteria)

      1) They are restrictively endorsed (Deposit Only – Edinboro University, etc.)

      2) Checks are not stale-dated or post-dated

      3) Checks should be made payable to “Edinboro University” only. If made payable to a person or program, they must be properly endorsed

      4) Written amount and numerical amount agree

      5) Payer’s signature is not missing

      6) Checks are drawn on a U.S. bank and in U.S. funds

b. Cash

   1) Make sure the count is accurate

   2) Look for counterfeit currency
3) Look for the use of a counterfeit detector pen on large bills
4) Look for altered currency
5) We do not accept foreign currency

c. Inter-office Deposit Form

1) Check of mathematical accuracy
2) Verify check and cash totals are listed properly
3) Verify account number field is completed.
4) Verify that the funds received equal the deposit form