

Management of Cash

ROWAN UNIVERSITY POLICY

Title: *Management of Cash*

Subject: *Bursar*

Policy No: *Fin: 2015:14*

Applies: *University-Wide*

Issuing Authority: *Senior Vice President for Finance and CFO*

Responsible Officer: *Director for Business Affairs & Bursar*

Adopted: *11/23/16*

Last Revision: *11/01/2022*

Last Reviewed: *11/01/2022*

I. PURPOSE

This policy is to provide guidance to departments that are responsible for collecting, depositing, recording, reconciling, and safeguarding cash and/or checks received from customers for goods or services provided.

II. ACCOUNTABILITY

At the direction of the Senior Vice President for Finance and CFO, the University's Assistant Bursar shall implement this policy. Managers and Supervisor of departments who receive, deposit, and reconcile cash and/or check transactions on behalf of the University, are responsible for complying with this policy.

III. APPLICABILITY

This policy is applicable to all individuals who have the responsibility, authority, and stewardship over payments to the University, and who receive, deposit, and reconcile cash and/or check transactions on behalf of the University.

IV. DEFINITIONS

1. **Cash Deposit Control:** All deposits should be accompanied by a Transmittal Form submitted in duplicate or deposit slip. These forms can be found on the Bursar website: <http://www.rowan.edu/adminfinance/bursar/forms.html>
2. **Cash Receipts Control:** All departments accepting cash (i.e. currency, checks and money orders) must have an established acceptable form of receipt to be issued to its constituents, acceptable recordkeeping methods for all transactions, established guidelines on acceptable forms of payments, and how cash/check is appropriately handled by designated staff.
3. **Cash Reconciliation Control:** Cash flow activity occurring in each department must be monitored and balanced appropriately to ensure that all moneys received are recorded and deposited on a timely manner. All cash and checks must be accounted for and deposited to the Office of the Bursar within two business days of the transaction.
4. **Securing Cash and/or Checks:** All departments accepting payments from constituents must adhere to the vault/safe/lockbox policy and procedure established by the Office of the Bursar.

V. POLICY

1. To minimize institutional risks, Rowan University discourages individual departments from accepting cash on its behalf. However, where this practice is unavoidable, it is strongly recommended that the payments be processed through the Bursar's Office located in Savitz Hall.
2. Rowan University expects those who accept cash and checks to safeguard these assets by applying appropriate internal controls, namely segregation of duties and securing and transporting these items appropriately.
3. The supervisor of a department that accepts cash or checks for any purpose is responsible for ensuring that proper procedures for handling, accounting, and reconciling cash and/or checks are followed. Cash handling requires special control measures that must be monitored continually by supervisory personnel in an effort to detect possible weaknesses.
4. The Office of the Bursar will review the cash and check handling procedures periodically for possible revisions. The Office of the Bursar will provide training on cash and check handling procedures as needed and/or upon request.

VI. ATTACHMENTS

1. Attachment 1 - Cash Management Procedures
2. Attachment 2 - Cash Handling And Record Keeping

ATTACHMENT 1

CASH MANAGEMENT PROCEDURES

1. The intent of these procedures is to:
 - a. Provide guidance to departments and all individuals with responsibility, authority, and stewardship over payments to the University, and who receive, deposit, and reconcile cash or check transactions on behalf of the University from customers for goods or services provided.
 - b. Standardize documentation of daily processes in cash management to account for future personnel and supervisory turnovers
 - c. Educate new personnel with minimal cash handling experience on appropriate procedures of cash management
 - d. Minimize institutional risks of mishandled cash transactions (cash, checks, money order, bank checks, traveler's checks)
 - e. Set a University-wide Best Practice regarding cash management
 - f. Establish Internal Controls for security- and compliance-purposes
2. The Cash Management Procedures are divided into the following major sections:
 - a. Cash Receipt and Handling
 - i. Acceptable Forms of Payment:
 1. Checks, Bank Checks, and/or Money Orders
 2. Credit/Debit/Rowan Cards (via Rowan Bucks)
 3. Currency in U.S. funds only
 - b. Whenever cash/check is received in person, some acceptable form of receipt must be used. Examples are listed below:
 - i. Payment Receipt Printout from the cashier terminals
 - ii. Uniquely prenumbered receipts, with a duplicate copy maintained in a receipts book
 - iii. Dated receipt book
 - iv. Prenumbered tickets
 - v. Cash register tapes
 - c. Guidelines for handling cash:
 - i. Verify the total by counting the currency in the presence of the depositor/payer.
 1. Follow these steps when counting the cash on hand:
 - a. Separate all bills based on denomination.
 - b. Organize all bills face up and in the same direction.

- c. Use the hand-to-table counting technique and focus on the faces of the bill instead of the bill's denomination.
 - d. Count twice.
 - e. When in doubt, count again and/or have a colleague assist in counting.
 - 2. Utilize the counterfeit pen for any cash denomination of \$20 bills and above.
 - 3. Do not put away the cash received until the transaction is complete.
 - a. When issuing a change for cash, always count the change twice. And count the change one last time as it is handed off to the customer.
 - b. Do not walk away from the station leaving any cash unattended.
 - c. Do not walk away from the customer with the cash if you require a colleague to verify your count.
 - i. Utilize either the email system or the telephone to contact a colleague for assistance if no one is around within the immediate vicinity.
 - ii. Ensure that the cash given to you by the customer is always in their sight until the transaction is complete and a receipt has been given to the customer.
 - iii. Print two receipts. Hand one receipt to the customer and have the customer sign the other one to keep for end-of-day closeout.
 - d. If utilizing a data-entry system such as the Banner AR system to update a student's account, ensure that the amount entered as payment is accurately entered prior to saving and updating the transaction.
 - e. Once the transaction is complete, secure the cash immediately in a locked cash register, point-of-sale terminal, safe, cash box, or deposit bag.
 - f. Give sequentially numbered receipts for all deposits and forms of payment (if applicable)
 - g. Indicate on a computerized transaction record, payment stub, or register tape, if any, that the payment was made as cash
- d. Guidelines for receiving checks:
 - i. Examine check(s) to determine the following:
 - 1. Has it been altered? Any signs of discrepancies between the amount in number and the number spelled out must be addressed. (NOTE: Checks must always be detailed with both numerical values and written value.
 - 2. Do the numeric and written dollar amounts match? The legal amount is the written amount.
 - 3. Has it been signed? If a signature is not present, you cannot process/accept the payment. (NOTE: Some bank checks and business checks have two-party signature requirements. Ensure that both lines are signed appropriately.)
 - 4. Does the preprinted name agree with the signature?
 - 5. Is a payable bank and address printed on the check?
 - 6. Is the check postdated (future-dated)? Do not accept a post-dated check!
 - 7. Is the check dated more than 30 days old? (Oftentimes, checks will have a notation somewhere indicating when a check is considered stale-dated. This can vary between 30 days and 120 days.)
 - 8. Check must be made payable to "Rowan University"
 - 9. Is the check a thirdparty check? Thirdparty checks should not be accepted!
 - 10. Most of the time, you'll find that checks have a perforated edge as if it came from a check book or an accompanied stub. If all edges are smooth, please verify the validity of the check again.
 - 11. When in doubt, checks have built-in counterfeit watermarks that can become visible by making a black-and-white copy. (Please note that some newer black-and-white photo copiers utilize an image-capture software similar to a camera and this will not work in making the watermark visible).
- e. Departmental Receipt Book must be maintained for the purpose of documenting a permanent record of incoming cash, checks or money orders for three years. The departmental supervisor is responsible for reviewing the receipt book on a regular basis and ensuring all cash receipts have been deposited to the proper account.
 - i. Receipt books must be organized by sequence.

- ii. Receipt books (both used and new) must be secured for future reference (ideally in a safe).
- f. At the end of each business day, a physical count of all cash and checks received must be completed and those amounts must be reconciled to the receipt book and, if applicable, the data entry system.
- g. The receipt book must be signed and dated by a departmental designee, other than the individual who performed the physical count and reconciliation to the receipt book and verified by the supervisor.
 - i. All receipts must be stored in a locked safe, lockbox, or locked filing cabinet at the end of each day.
 - ii. All receipts must be deposited with the Bursar's Office or the Armored Car Service within two business days of receipt or in accordance with the Armored Car pick up schedule.

ATTACHMENT 2

CASHHANDLING AND RECORDKEEPING

1. It is important to make sure that the cashhandling and recordkeeping functions are kept separate. In the case of smaller departments where separation of duties is impractical, the supervisory personnel who do not handle cash should perform specific verification for reasonable and sound internal controls.
2. Securing Cash and/or Checks
 - a. All departmental receipts of cash or checks should be safely secured using the following guidelines:
 - i. All cash and checks should be secured in a safe or lockbox that has limited access.
 - ii. If receipts are secured in a lockbox, the lockbox should be kept in a locked office or other secure area.
 - iii. Access to safe combinations or lockbox key should be limited to appropriate personnel.
 - iv. Safe combinations should be changed in accordance with the Safe Changing Policy. (See Safe Policy and Procedure)
3. Cash Deposits Control
 - a. All deposits should be accompanied with a transmittal submitted in duplicate paper, or deposit slip. These forms can be found on the Bursar's Office website.
 - b. Deposits are to be made at the Bursar's Office (Either Cashier window if not busy or within the office to see designated officers).
 - i. All deposits should be personally handed to the cashier. Note: All efforts should be made to avoid end-of-day & lunch-hour drop-offs. Additionally, prior notice of large volumes of cash deposits is appreciated and will allow for a more efficient transfer & receipt of deposit.
 - ii. Do not leave a deposit at an unattended window or on the counter if the cashier is busy with another customer.
 - iii. Do not leave the Bursar's Office until all cash deposits are confirmed, processed and acknowledgement receipt(s) are generated.
 - c. Deposits should always be in a sealed envelope or locked bag.
 - d. A calculator tape listing the cash total for each denomination and each check along with a grand total for each must accompany deposits.
 - e. As documentation for the daily transmittal, please provide detailed check listing, detailed credit card listing and information on the source of cash.
4. Cash Reconciliation Control
 - a. Upon completion of a deposit made at the Bursar's Office, an acknowledgement receipt should be given to the depositor.
 - b. It is the responsibility of each department to reconcile all deposit receipts against their own departmental receipt book and Banner account(s).
 - c. This reconciliation process should be done no less than once a month and approved by the departmental supervisor.