

San Jose State University

Bursar's Office

Standard Operating Procedures

Cash Handling Procedures for Campus Departments

Purpose of Procedures

The purpose of cash handling procedures is to help employees with cash handling functions to better understand and perform duties in accordance with university policy.

Cash Policy of the University

The overall cash policy of the university is to institute controls and procedures to:

1. Ensure the physical security of cash to be stored on campus premises or directly with a university contracted armored car service. University monies should never be taken off campus to store. _____(initials)
2. Maximize the use of cash funds
3. Accurately record the receipt of cash to ensure the reliability of financial data

Definition of Cash

The term "cash" as used in this document, refers to U.S. currency and coin, personal and business checks, traveler's checks, cashier's checks, money orders, foreign funds (check only) MasterCard, Discover credit cards and ATM debit cards. All checks must be drawn on U.S. banks and written in U.S. dollar values and all are acceptable forms of payment to the university.

Internal Controls

SAM 8034.1 General Endorsement Instructions

Because cash is negotiable and easily transported, it is important for proper internal controls to be in place to protect this asset. Accordingly, it is the policy of the University that the following internal controls over cash receipts/handling be implemented throughout the University:

1. Access to cash must be limited. All funds should be kept secure at all times. While in possession of university departments, administrative offices, and affiliated organizations, funds should be kept in safes, locked boxes, or locked drawers; all should be locked when not in use.
2. Cash receipts/handling operations must be subject to daily supervisory review.
3. Large sums of cash should be counted and handled out of sight of the general public.
4. All cash receipts must be completely and accurately recorded in the financial system of the University. To ensure this, Department Deposit Summary forms should be prepared for all cash receipts indicating the account(s) to which the funds are to be credited. (See Department Deposit Summary section)
5. Checks must be restrictively endorsed immediately "For Deposit only to the credit of SJSU."

Pre listings

SAM 8020.1 Pre listings

All incoming mail receipts consisting of cash and negotiable instruments, not payable to SJSU, will be prelisted by the person opening the mail to localize accountability of these assets. In other words, if a department receives a check that does not belong to their respective dept/unit, items must be logged before being transferred out of the immediate area.

Separation of Duties

SAM 8080.1 Separation of Duties

The internal control, which effectively assures the secure handling of cash, is separation of duties. Having different people receive cash, prepare the transmittal, and reconcile the ledger accounts attains this goal. This allows each person to serve as a control over the others, catching mistakes and preventing the misappropriation of funds.

Security – Safeguarding of Assets

The level of security necessary at each satellite operation depends on the level of risk at that location. For example, the level of risk is generally higher at the central cash collection site of the University (Bursar's Office) than in an individual department that occasionally receives cash. To evaluate the level of risk at each location, the following factors should be considered:

1. Amount of money involved
2. Geographic location
3. Hours of operation
4. Past loss experience
5. Number of employees

Transportation of Funds

SAM 8032.1 When to Deposit, SAM 8032.2 Method of Depositing

If the deposit is \$1,000 or more in cash, two employees must accompany each other with the delivery; this is university policy. It is the responsibility of the department to determine the circumstances under which the use of campus police is required.

Procedures for Using the Night Depository

SAM 8032.2 Method of Depositing

The Bursar's Office has a night depository located outside of the Student Services Building. The night depository is to be used when it is not possible to make deposits with the Bursar's Office during normal operating hours. The following procedures should be followed when it is necessary to use the night depository:

1. Bank plastic bags are to be used for all deposits to the night depository. (The plastic bag may be obtained from the Bursar's Office)
2. All deposits are to be supported by a completed Department Deposit Summary form. Each morning, the Bursar's Office will verify the deposits, post the payments and generate a receipt. A duplicate copy of the receipt will be mailed to the originating department.

Placement & Control of Safe Combinations

SAM 8024 Safes & Vaults, SAM 8025 Placement of Safes for Security Purposes

As a deterrent to burglary, SJSU will securely anchor a safe to the building, where practical, to a building's foundation.

These procedures must be followed to maximize security over cash:

1. Safe combinations are to be given to a minimum number of employees and only to those whose functions require access to cash.
2. No one employee should have access to both a key and the safe combination.
3. To the extent practicable, combinations are to be memorized and are not to be written down.
4. Safes are to be opened in such a manner that no other person can observe and determine the combination.
5. Each department having a combination safe must establish and maintain a record of each person given the combination, dates the combination was changed, and the reason for the change.
6. The combo will be changed when it becomes known to an excessive number of employees, or if any employee having knowledge of the combo terminates with the university or no longer requires the combo on leaves the university.

Cash Sales

1. When cash is received by an employee, the transaction is either recorded in an automated cashiering system (such as TouchNet) or a Bursar's Office pre-numbered cash receipt form (manual receipt). The payer is given a copy of the receipt. Copies of manual cash receipts should be retained in numerical sequence, including any "voided" forms.
2. Employees handling cash receipts must balance cash collected to the cashiering system total or to the total of the manual cash receipts prepared. Any difference in the total of the actual receipts and the total of the register or manual receipts is reported as a shortage or overage.
3. When a department uses a cash register to record cash receipts, the cash register must be balanced at the end of each employee's shift.
4. Two employees may NOT work out of the same drawer.
5. Employees handling cash receipts should not perform any accounts receivable functions.
6. The duplicate copy of the manual receipt must accompany cash deposits when submitted to the Cashier's Office for processing.

Checks

1. The following types of checks are acceptable as payment for the sale of goods and services provided:
 - Personal checks
 - Company checks
 - Cashier's checks
 - Certified checks
 - Money orders
 - Traveler's checks
 - University checks
 - Government checks
2. All checks must be:
 - Payable to San Jose State University or SJSU
 - Currently dated – not post dated or stale dated (i.e., over six months old, or shorter period if so indicated on the face of the check)
 - Properly signed and/or endorsed by the presenter
 - In agreement as to the numeric and written amounts
 - Legible and written in ink
3. All checks accepted by the University must be restrictively endorsed immediately upon receipt. The endorsement should indicate "For Deposit Only." Additionally, San Jose State University should be identified in the endorsement. For example, the following endorsement should be placed on the back of each check:

**Pay to the order of
WELLS FARGO BANK, N.A.
For deposit only
CSU San Jose State University
49#####**

Departments may obtain restrictive endorsement stamps from the Bursar's Office.

4. Unsigned checks may be accepted and deposited with the regular bank deposit providing the following statement is stamped on the face of the check:

**SIGNATURE LACKING
GUARANTEED BY
SAN JOSE STATE UNIVERSITY**

Counting Money and Making Change

The following standard practices should be observed when counting money and making change:

- All money received should be counted and the amount verified before it is placed in the cash drawer
- Currency for which change will be given should be placed in view of both the cashier and the customer until the transaction is complete
- All change given in a transaction should be counted out to the customer
- If an interruption occurs during the counting/change making, the process should be started again from the beginning

Deposit Policy

SAM 8030 Deposits, SAM 8032.1 When to Deposit, SAM 8032.3 Verification of Deposits

1. Deposits must be made with the Bursar's Cashiering Department according to the following policies:
 - Daily if cash receipts exceed \$200
 - Each time during the week deposits accumulate to \$200 if receipts are less than \$200 per day, plus
 - On the last working day of the month if cash is on hand. This is to ensure that activity is included in the correct accounting period
2. All cash receipts must be deposited intact. This means no checks may be cashed or disbursements made, including reimbursement of petty cash expenditures from receipts.
3. Cash receipt forms are to be issued for all cash received.
4. All checks received must be restrictively endorsed immediately with the name "San Jose State University" and deposited within 48 hours.
5. If currency and/or coins are included, the person delivering the deposit **must** have it counted by a cashier and receive a receipt prior to leaving the Cashiering window
6. Cash is not to be sent by campus or U.S. mail.

Department Deposit Summary:

SAM 8070, SAM 8071, SAM 8072 Cash Overages & Shortages

- A Department Deposit Summary sheet must accompany all deposits. (Form can be obtained from the Cashiers in the Bursar's Office)
- All standard information required on the form should be complete
- Leave the cash receipt number blank; this will be completed by the Bursar's Office
- Departments should use the copy of the Department Deposit Summary to verify the amount received in the Bursar's Office and to reconcile the recording of the transaction in PeopleSoft finance
- Overages and shortages must be reported and explained on the cash transmittal form. Shortage amounts must be enclosed in brackets (not preceded by a hyphen) and are counted as a negative figure when the amount column is totaled. Overages and shortages are the responsibility of the department head, who should be aware of these items and initial them on the transmittal
- Deposits from on-campus locations should be delivered to the Bursar's Office and include the following:
 - (1) Completed cash transmittal form
 - (2) Currency sorted by denomination
 - (3) Endorsed checks and an adding machine tape in the same sequence as the checks

General Cash Receipts

SAM 8020 Receipts

Cash Receipts:

A written acknowledgement must be given for each cash payment received. Acceptable cash receipts are cash register receipts (such as TouchNet produces) or pre numbered receipts issued by the Bursar's Office

- a. The amount of the payment
- b. Tender type
- c. Name of the person making payment
- d. Purpose of payment
- e. Date of payment
- f. GL account if applicable
- g. Initials of employee receiving funds

Pre numbered receipts should be used sequentially, accounted for, and maintained for audit purposes. Voided receipts must have all copies stapled together for audit purposes. _____ (initials)

I have read these procedures and agree to comply with all of the items listed in this document.

Custodian of University Monies:		Phone #
Title:		
Supervisor/Manager/ or Dept Head:		Phone #
Department:		
Date:		