

San Jose State University
Bursar's Office
Standard Operating Procedures
Cash Handling Procedures for Campus Departments

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 as outlined in the Integrated CSU Administrative Manual (ICSUAM), policies 6200.00, 6202.00, 6320.00, 6330.00.

Policy and Procedure information related to Cash Handling & Deposits.

1. California State University General Accounting (ICSUAM) policy number 6200.00, ***Campus Administration of Systemwide Cash Management Policy***
2. California State University General Accounting (ICSUAM) policy number 6202.00, ***Segregation of Cash Handling Duties***
3. California State University General Accounting (ICSUAM) policy number 6330.00, ***Acceptance of Cash and Cash Equivalents***
4. California State University General Accounting (ICSUAM) policy number 6330.00 ***Physical Protection of Cash & Cash Equivalents***
5. California State University General Accounting (ICSUAM) policy number 6330.00 ***Deposits and Transfers to the Bank***
6. California State University Financing, Treasury, and Risk Management (ICSUAM) policy number 6320.00 ***Petty Cash Funds and Change Funds***
7. California State University Financing, Treasury, and Risk Management (ICSUAM) policy number 6330.00 ***Incoming Cash and Checks***

Cash Policy of the University

California State University General Accounting (ICSUAM) policy number 6200.00, *Campus Administration of Systemwide Cash Management Policy*

The overall Cash Policy of the University is to institute controls and procedures to:

- Ensure the physical security of cash to be stored on campus premises, until such time as it is taken to the bank by armored car service. University monies should never be taken off campus to store.
- Accurately record the receipt of cash to ensure the reliability of financial data.
- Any department that receives cash or cash equivalent is considered a “Cash Handling Unit”.

Definition of Cash

- The term “cash” as used in this document, refers to U.S. currency and coin, checks (i.e., includes personal, business, traveler’s checks, cashiers, bank drafts and certified checks, money orders, university and government checks). 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. Credit cards (Visa, MasterCard, Discover/Novus and American Express)

Internal Controls

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:

- 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.
- Cash receipts/handling operations are subject to daily supervisory review.
- Large sums of cash should be counted and handled out of sight of the general public.
- All cash receipts must be completely and accurately recorded in the financial system of the University. To ensure this, a department deposit summary form (either a print out from CASHNet or manually prepared) should be included with deposits for all cash receipts indicating the account(s) to which the funds are to be credited. (See the How to Prepare and Make a Deposit section.)
- Checks must be restrictively endorsed, as soon as possible but no later than the close of business on the date of receipt, “For Deposit Only to the credit of SJSU.” (See the Checks section. Endorsement stamps can be obtained from the Bursar’s Office.)

Separation of Cash Handling Duties

It is the policy of the CSU to establish and maintain an adequate separation of duties in the area of cash handling, so that no one individual has exclusive control over a given process. 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, catch mistakes and prevent the misappropriation of funds. Please see ICSUAM policy number 6202.00 for more detail of the Segregation of Cash Handling Duties.

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. The physical setup of all cashiering stations must be reviewed by Campus Risk Management personnel to ensure the safety of funds and personnel. Such reviews must be in writing and retained per campus fiscal records retention policy. To evaluate the level of risk at each location, the following factors should be considered:

- Amount of money involved
- Geographic location
- Hours of operation
- Past loss experience
- Number of employees

Checks

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
- Bank Drafts (drawn on a U.S. Bank)
- 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 or dated after the date of acceptance)
 - Properly signed and/or endorsed by the presenter
 - In agreement as to the numeric and written amounts
 - Legible and written in ink
- When the proper account(s) to which a check should be credited cannot be readily determined, it will be deposited and recorded as "un-cleared collections" and copies made to research the correct account.

- All checks accepted by the University must be restrictively endorsed as soon as possible but no later than the close of business on the date of 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.

- 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**

Acceptance of Cash and Cash Equivalents

- When cash is received by an employee, the transaction is either recorded in an automated cashiering system – CASHNet – or on a Bursar’s Office issued pre-numbered cash receipt form (manual receipt). The payer is given a copy of the receipt. Copies of Bursar’s Office issued pre-numbered cash receipts should be retained in numerical sequence, including any “voided” forms.
- Employees handling cash receipts must balance cash collected to the CASHNet 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 needs to be reconciled before submitting the deposit to the Bursar’s Office.
- 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.
- Two employees may not work out of the same drawer.
- Employees handling cash receipts should not perform any accounts receivable functions.
- The duplicate copy of the manual receipt must accompany deposits when submitted to the Bursar’s Office.

General Cash Receipts

Cash Receipts:

A written acknowledgement must be given for each cash payment received. Acceptable cash receipts are cash register receipts (such as CASHNet produces) or pre-numbered ones issued by the Bursar’s Office (white copy to payer and yellow copy attached to Department Deposit).

- a. The amount of the payment
- b. Tender type
- c. Name of the person making payment
- d. SJSU ID number if applicable
- e. Purpose of payment

- f. Date of payment
- g. GL account if applicable
- h. Initials of employee receiving funds

For audit purposes, Bursar's Office issued pre-numbered receipts should be kept secured and used sequentially, accounted for, and maintained. Yellow receipt copies, including voided receipts, must be attached to the Department Deposit. Voided receipts must have all copies (white and yellow) stapled together.

How to Prepare and Make a Deposit

- Deposits from on-campus locations need to include the following:
 - (1) Either a print out of CASHNet Departmental Deposit statement or the Department Deposit Cover Page (found on the Bursar's Office website).
 - (2) Currency sorted by denomination
 - (3) Endorsed checks and an adding machine tape in the same sequence as the checks
 - (4) Bursar's Office issued pre-numbered receipts (if applicable). Four departments in the University are issued pre-numbered receipts.
- Departments with access to the CASHNet Cashiering system enter their deposit information into CASHNet and then print out the deposit form to be included with the deposit and delivered to the Bursar's Office (window 1).
- Departments without access to CASHNet prepare their deposits using the Department Deposit Summary form (found on the Bursar's Office website) and include with the deposit to the Bursar's Office. Leave the cash receipt number blank; this will be completed by the Bursar's Office.
- http://www.sjsu.edu/bursar/forms_tutorials/dept_forms/index.html
- Cash collected on campus should never be sent via campus mail or US Postal Service.
- 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.
- If applicable, the Bursar's Office pre-numbered receipt forms are to be included in the deposit for cash received.
- For all deposits, the deposit **must** be counted and verified by a Cashier and receive a receipt prior to leaving the Cashiering window.
- If the Cashier determines that there is an overage and shortage, the complete deposit will be returned to the person making the deposit and it will need to be corrected in the department before resubmitting to the Bursar's Office.

Deposit and Transportation of Funds

- Collections at satellite cashiering locations and departments are to be deposited to the Bursar's Office (window 1) at least weekly or whenever collections exceed \$500.00.
- At a minimum, transport must be accomplished jointly by at least two employees. When deposits exceed \$2,500, employees shall be escorted by campus police. When determined necessary, armored car service will be used.

Procedures for Using the Night Depository

As of October 2013, two departments – TPO and Athletics - have the approval to make deposits using the night depository located outside of the Student Services Building. All other

departments are required to deposit in person with the Bursar's Office. The following procedures are followed when the departments use the night depository:

- 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.)
- All deposits are to be supported by either a CASHNet print out or 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

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

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 one 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

These procedures must be followed to maximize security over cash:

- Safe combinations are to be given to a minimum number of employees and only to those whose functions require access to cash.
- For departments who have a safe that requires both a combination and key to access, no one employee should have access to both a key and the safe combination.
- To the extent practicable, combinations are to be memorized and are not to be written down.
- Safes are to be opened in such a manner that no other person can observe and determine the combination.
- 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.
- The combination will be changed if any employee having knowledge of the combo no longer requires the combination or leaves the employ of the cash handling unit.

Petty Cash/Change Funds - Counting Money and Making Change

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

- All money received should be counted out and the amount verified in view of both the cashier and the customer before confirming the amount utilizing a currency counter or 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 changes 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.

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:		

Ph: (408) 924-1601

Fax: (408) 924-1654

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Revised: 12/31/19